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Alia Addresses Nation on New Year

AU011356 Tirana Domestic Service in Albanian 2100 GMT 31 Dec 87

[New Year Message to the Albanian people from Ramiz Alia, AWP Central Committee first secretary and chairman of the Presidium of the People's Assembly of the People's Socialist Republic of Albania—recorded]

[Text] Dear comrades, brothers and sisters: On behalf of the party and government, I want to greet you all and wish you a happy New Year, to wish good health and successes to all of you, workers and cooperativists, cadres and specialists, young men and women, Enver's young pioneers, wherever you work and live.

The year that is just ending was a year of great endeavors by our people to apply in reality the great program established by the Ninth AWP Congress. Fresh successes were scored in the economy and other fields of social activity on the road of development and socialist progress. The tasks were fulfilled in many branches and sectors as planned. New projects have been added in the homeland. Education and culture, the protection of the health of the people, and various services to them were raised to a higher standard. The economic stability of the country and well-being of the masses were further consolidated. Fresh victories were also scored in the field of foreign policy. The relations of our country with many states were extended and strengthened. The name of Socialist Albania was raised higher and her international position was further consolidated.

During 1987 we encountered numerous difficulties created by bad weather. The severe winter, which was followed by a prolonged drought, affected many sectors, particularly agriculture and electricity generation, and the consequences were felt by the economy, production, and the market. Only because the unprecedented mobilization of the heroic working class and patriotic peasantry, only because of the persistent work of the communists, cadres, women, and the youth were the consequences of these difficulties limited. The tireless work of our people, the resolute and militant stand of our people, educated by the party, are the basic factors for the results and victories attained.

While a year of numerous achievements and joys is going out, we begin a new year, the third year of the Eighth 5-Year Plan. This will be a year of great work, of memorable events, and fresh perspectives. The tasks of 1988 are numerous, because they include not only great targets that derive from the 5-year plan, but also some of the lags of the current year. As always, these tasks will be fulfilled self-reliantly, through the work, knowledge, and toil of the working masses, utilizing the internal resources of our country.

All possibilities exist for the targets of 1988 to be successfully fulfilled. These possibilities lie in the inexhaustible energies of our people, in their ardent patriotism, in the steel-like unity of the people with the party, in the strength of the economy and in the vitality of our socialist order.

We must use these possibilities as well as is possible, we must put them to use from the first days of this year and throughout the year for the benefit of the country's economic and cultural development. We must exploit the great experience we have accumulated, we must learn from the achievements, we must also reflect on the shortcomings, and we must be confident and optimistic of fulfilling the tasks, but we must never become complacent. Let us go on the offensive with the firm conviction that with persistent work and revolutionary spirit, by encouraging the initiative of the masses, and by applying the method of action, we will fulfill the state plan head-on, we will make the life of the people more prosperous, and our dear homeland more powerful.

The year 1988 will be a memorable year. Our party and all the people will commemorate the 80th anniversary of the birth of the glorious leader of our people, Comrade Enver Hoxha. The best honor and greatest respect for his memory, is to be loyal to his Marxist-Leninist teachings, to the party he founded and led for decades on end, to preserve his creation, Socialist Albania, as the apple of the eye, and to continually promote it and strengthen its economy, culture and defense.

May this year, as always, arouse great inspiration for the people, fresh joys for every family and for our entire socialist society. I wish you all, comrades, brothers, and sisters, the fulfillment of these desires. I wish you good health and happiness in your families, and greater prosperity.

Long live the party. Long live our people and our dear homeland.

Article Views Soviet-Albanian Relations

AU301814 Budapest MAGYAR HIRLAP in Hungarian 27 Dec 87 p 2

[Article by Ferenc Szaniszlo: "Soviet-Albanian Relations—The Price of Rapprochement"]

[Text] The central leadership of the Soviet-Albanian Friendship Society held an extended session on 26 November on the occasion of two noteworthy dates in Albanian history, the 43d anniversary of Albania's liberation and the 75th anniversary of its independence. On the same day, the National Committee of the Soviet Historians held a scientific conference in which distinguished researchers of the Balkan participated; and in a longer article, PRAVDA praised Albania's economic results so far and stated that the Soviet people cherish a feeling of sympathy for the Albanian nation.

Relations between any two countries can be excellent, good, satisfactory, bad, even very bad. We cannot describe the relationship between the Soviet Union and Albania with any of the above-mentioned adjectives because the relations simply do not exist. This is the result of the fact that, due mainly to ideological differences, relations between the two countries quickly deteriorated at the beginning of the 1960's and the political ties between the two countries were severed. Diplomatic ties have also been suspended since 1961.

The break in relations had a spectacular and in certain respects shocking effect but its significance should not be exaggerated. It is a fact that both countries have in their own ways recovered from the consequences of breaking their relations. But this does not mean that the establishment of contacts would be detrimental to the two countries that are so different in size and potential.

Every year, the attention of the Albanian leadership is repeatedly drawn to the fact that the Soviet Union is willing to re-institute the past good relations on the basis of sovereignty, independence, non-interference in domestic affairs, and mutual advantage. Albania demands approximately the same. What then obstructs rapprochement?

The swing of the traditional Albanian political pendulum has also raised the interest of observers in Moscow, namely the fact that the Albanian policy of self-isolation does not seem as clearly defined as before, as if the world were no longer divided into revisionists and imperialists only, and as if Albania were increasingly making it known that it belongs to the international community. Tirana has opened the door slightly to the world. If economic relations with other countries are developing, why could relations with the Soviet Union not develop?

Relations between the Soviet Union and Albania could develop, all the more so because whenever there is a possibility for potentially advantageous business opportunities with Italy and the FRG, Albania protects its ideological and foreign policy positions less jealously.

Ramiz Alia, first secretary of the AWP, recently said that Albania does not refrain from cooperation with others and it does not want to become isolated. At the same time, he added that certain imperialist and revisionist forces would like reforms to be implemented in Albania according to the Soviet example. He swore that that this would not come to pass and that his country "will not yield its position and turn away from the teachings of Marxism-Leninism and Enver Hoxha."

This should not sound extraordinary, but restructuring in the Soviet Union is one of the obstacles to Soviet-Albanian rapprochement. It is not certain that the radical reform program announced in the Soviet Union creates unequivocal enthusiasm everywhere, and certainly not in Albania. The Albanian ideologists have for decades—practically since the 20th CPSU congress in 1956, since the exposure and public condemnation of Stalinism and the personality cult—been accusing the Soviet leadership from Khrushchev, Brezhnev, Andropov, and Chernenko to Gorbachev of revisionism and of abandoning the basic principles of Marxism-Leninism; these ideologists can also "discover" some revisionist elements in the policy of restructuring and glasnost.

The PRC, Albania's former ally in its fight against the "revisionists", has been for years moving along the road toward reforms and openness. Since the PRC opened up, the two countries have become estranged from each other, and the PRC is increasingly establishing its ties with the Soviet Union, the country which until several years ago the PRC still regarded as its main enemy.

The Soviet Union has also chosen the rough road of modernization and also accepted the initial difficulties that accompany thorough changes. The spectacular opening up of the Soviet Union probably aroused a reaction even in Albania. It is impossible not to sympathize with the revelation and confession of past mistakes and with a sincere voice; and a policy of blaming the outside world for every domestic difficulty cannot result in eternal successes. The history of the Albanian people who have been fighting for independence for centuries is an example that demonstrates this.

The price of rapprochement is understanding. This is a price that can be met and paid both by the Soviet Union and Albania.

Alia Greets Burmese President on National Day

AU041239 Tirana ATA in English
0900 GMT 4 Jan 88

[Text] Tirana, January 4 (ATA)—The president of the People's Assembly of the People's Socialist Republic of Albania, Comrade Ramiz Alia, sent the following message to the president of the Socialist Republic of the Union of Burma, U San Yu:

"On the occasion of the 40th anniversary of the proclamation of the independence of Burma, it is a pleasure for me that, in the name of the Albanian people, of the Presidium of the People's Assembly and in my name, to send to you the sincere greetings and formulate the best wishes for the progress of the country and the well-being of the Burmese people.

"I wish that the friendly relations between the two countries develop non stop."

Leaders' Public Appearances Noted

AU021930 [Editorial Report] Tirana Domestic Service in Albanian in its broadcasts from 27 December-2 January reports the following public appearances of Albanian leaders (time and date of broadcast in parentheses):

Ramiz Alia, AWP Central Committee first secretary and chairman of Presidium of the People's Assembly of the People's Socialist Republic of Albania, delivered a message to the Albanian people on radio-television on 31 December. (Tirana Domestic Albanian 2100 GMT 31 December)

Ramiz Alia, AWP Central Committee first secretary and chairman of Presidium of the People's Assembly of the People's Socialist Republic of Albania; Adil Carcani, AWP Central Committee Politburo member and chairman of the Council of Ministers of the People's Socialist Republic of Albania; Besnik Bekteshi, Foto Cami, Hajredin Celiku, Hekuran Isai, Lenka Cuko, Manush Myftiu, Muho Asllani, Pali Miska, Prokop Murra, Rita Marko, and Simon Stefani, AWP Central Committee Politburo members; Kico Mustaqi, Llambi Gegprifti, Pirro Kondi, Qirjako Mihali, and Vangjel Cerrava, AWP Central Committee Politburo candidate members, attended on 28 and 29 November the second session of the 11th Legislature of the People's Assembly. (Tirana Domestic Albanian 11430 GMT 28 December and Tirana Domestic Albanian 1700 GMT 29 December)

Hajredin Celiku, Lenka Cuko, Llambi Gegprifti, and Pirro Kondi attended on 30 December a festive evening for Enver's Young Pioneers in Tirana. (Tirana Domestic Albanian 1900 GMT 30 December)

BCP Daily Surveys 1987 Balkan Policy

AU311209 Sofia BTA in English
1117 GMT 31 Dec 87

[Text] Sofia, December 31 (BTA)—In an article surveying Bulgaria's contribution to the improvement of the political climate in the Balkans, Mr Petur Lyubomirov analyses in RABOTNICHESKO DELO the development of the relations between this country and the rest of the Balkan states.

The past year has been full of dynamic contacts, important state visits, whose results consolidated and broadened Bulgaria's contribution to the spirit of trust, peace and security in the Balkans and in the world. This country stands for the turning of the region into a zone free of nuclear and chemical weapons. The Bulgarian proposal for signing an agreement on the preservation of the Balkan peninsula environment has been met with great interest. Bulgaria hosted two important meetings for the realization of this idea.

The article notes that the development of the Bulgaro-Romanian relations during the year can be estimated as a new significant stage. It has been agreed at the meeting between Mr Todor Zhivkov and Mr Nicolae Ceausescu that specialisation and cooperation will undergo further deepening and development. An agreement has been reached for fast settlement of certain unsolved common problems.

The meetings held in 1987 between Mr Todor Zhivkov and the president of the Hellenic Republic, Mr Khristos Sartzetakis, and Mr Andreas Papandreou, prime minister of the Hellenic Republic, have a special place in the development of the Bulgaro-Greek relations. The degree of trust has been raised to a new, higher level. The author stresses that these relations can serve as an example for relations between two neighbouring countries belonging to different sociopolitical systems.

The relations with friendly Yugoslavia also undergo a very positive development. Bulgaria's minister of foreign affairs, Mr Petur Mladenov, paid a visit to that country in November. Favourable prospects for the bilateral relations are coming up.

The barter between Albania and Bulgaria has been increased this year. The contacts in different spheres of mutual interest are increasing. Fruitful and resultative has been the meeting between the ministers of foreign affairs of the two countries during the 42nd session of the UN General Assembly.

This year the active relations with the Republic of Cyprus have continued and they have a solid contractual-legal basis. Bulgaria's position on the Cyprus issue is assessed highly in that country. Mr Petur Mladenov has paid his first official visit to the Republic of Cyprus and had meetings with President Spyros Kyprianou, with the leaders of all important political parties represented in the parliament.

In conclusion the author writes that unfortunately the assessment of Bulgaro-Turkish relations is not in accord with the positive assessment of the relations with the other countries in the region. In 1987 they have remained at variance with the good-neighbourly and friendly relations of a few years ago. Bulgaria makes everything possible, leads a constructive course, and searches for ways and opportunities for going out of the existing stagnation in the bilateral relations, which is not through her fault, for restoration of the dynamic dialogue in spheres of mutual interest.

Petur Lyubomirov expresses hope that the common interests of Bulgaria and Turkey, their neighbourliness, and the traditions of mutually advantageous settlement of separate questions would prevail. The normalization of the Bulgaro-Turkish relations will have favourable effect on the general situation in the Balkan peninsula, which will be in unison with the new political thinking, and will correspond to the objective realities and to the interests of the two countries.

CPSU CC Delegation Meets With Balev, Departs

AU311707 Sofia Domestic Service in Bulgarian
1600 GMT 31 Dec 87

[Text] At the invitation of the BCP Central Committee, a delegation from the CPSU Central Committee led by Oleg Rybakov, deputy chief of a department of the CPSU Central Committee, has been on a working visit to Bulgaria.

The Soviet guests were received by Comrades Milko Balev and Dimitur Stanishev. During the talks, held in a cordial comradely atmosphere, they exchanged information on the progress of the restructuring under way in Bulgaria and the Soviet Union. They discussed important issues concerning further raising the efficiency of interparty cooperation.

The Soviet visitors departed from Bulgaria today. They were seen off at Soviet airport by Ivan Boev, deputy chief of the Foreign Policy and International Relations Department of the BCP Central Committee, other responsible officials of the BCP Central Committee, and also by Soviet Ambassador Leonid Grekov.

Leaders Greet Cuba on National Day

AU041310 Sofia NARODNA ARMIYA in Bulgarian
1 Dec 88 p 1

[Greetings Message from Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman, and Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers, to Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and chairman of the State Council and Council of Ministers of the Republic of Cuba, on Cuba's national Day]

[Text] Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman, and Georgi Atanasov, chairman of the Council of Ministers, have sent the following message to Fidel Castro Ruz, first secretary of the Communist Party of Cuba and chairman of the State Council and Council of Ministers of the Republic of Cuba:

Dear Comrade Fidel Castro,

On the occasion of the 29th anniversary of the victory of the Cuban Revolution we send most cordial greetings and wishes to the Central Committee of the Communist Party of Cuba, the State Council and Council of Ministers of the Republic of Cuba, and to you personally.

This victory opened a new page in the history of the liberating anti-imperialist struggle and prompted the establishment of the first socialist state in the American Continent. During the past years the Republic of Cuba, in close cooperation with the USSR and the other fraternal socialist countries, achieved remarkable successes in its socioeconomic and cultural development. In implementing the decisions of the Third Congress of the Communist Party of Cuba the Cuban working people are now working energetically to perfect socialism and multiply the achievements of the revolution.

We highly value the consistent and principled policy which Cuba is conducting in developing understanding and cooperation among nations, asserting a new and just international economic order, and consolidating world peace.

We note with a special satisfaction that the indestructible friendship and comprehensive cooperation between our parties and countries, based on the principles of Marxism-Leninism and socialist internationalism, continue to expand and strengthen.

On the day of this bright anniversary we wish you, dear Comrade Fidel Castro, and the fraternal Cuban people new and even greater successes in the struggle to construct socialist Cuba.

Britons Injured in Bomb Blast To Depart

LD010542 London PRESS ASSOCIATION in English 0509 GMT 1 Jan 88

[Text] Four Britons injured in a bomb blast at a Bulgarian ski resort are expected home this weekend.

The four were treated for burns after the blast in the dining room of the Hotel Riva in Borovets on Sunday.

The Foreign Office named them yesterday as Colin and Sheila Armstrong, and Mary Carter—all from Berkshire—and Sally Day.

The device, resembling an aerosol can, apparently exploded when tampered with by one of the diners. Who planted it and why remain a mystery.

An official from the British Embassy in Sofia has visited them in hospital and a Foreign Office spokesman said: "None of them are seriously injured and all are expected to return home this weekend."

Zhivkov's New Year Message to Nation

AU011414 Sofia BTA in English 1828 GMT 31 Dec 87

["New Year Greeting to the Bulgarian People by Todor Zhivkov"—BTA headline]

[Text] Sofia, December 31 (BTA)—In his New Year greeting, Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, expresses satisfaction with the state of affairs of Bulgaria in the past year, despite the losses of the national agriculture. He refers to the restructuring as the "great chance for all of us which is part of the general process of the up-dating of socialism."

Mr Todor Zhivkov states that the economy has been developing at high rates in 1987. This permitted the redirecting of considerable amounts of money for the elimination of the losses of agriculture and the preservation of the population's living standards despite the bad climatic conditions.

The Bulgarian leader discusses restructuring: a revolutionary and complicated process which requires time. "Without hurrying but also without postponing things, we have fulfilled successfully the new tasks. This country is restructuring gradually and without stresses. What is more, the rates of our socioeconomic development will be even higher in 1988," he said.

Enumerating the new forms of social management and economic activity, the Bulgarian party and state leader emphasizes the need for new order, new discipline and new organization. He says that certain things will be further modified by actual practice and by the development of theory, but that the main principles have been clearly defined.

"We are not alone on our path of restructuring. Our great ally and brother the Soviet Union is going in the same direction."

Mr Zhivkov says that new political thinking and action are positively affecting our modern world. The understanding of the mutual dependence and the shared interest in maintaining cooperation resulted in the summit meeting between Mr Mikhail Gorbachev and Mr Ronald Reagan and in the signing of the treaty, which eliminated the intermediate- and shorter-range missiles,

a historic contribution to mankind's desire to live in a new and peaceful world. Our wish this New Year is that the world the current and future generations are creating will survive," he says.

In conclusion, the secretary general of the BCP CC and president of Bulgaria's State Council calls on all Bulgarians to turn restructuring into a reality. He wishes every Bulgarian family health and success. "Let 1988 be peaceful and successful for all people on earth."

Young Pioneers Greet Zhivkov on New Year

AU011347 Sofia Domestic Service in Bulgarian 0400 GMT 1 Jan 88

[Text] Young members of the "Chavdar" children's organization and Young Pioneers from the Varna Municipality came to the Boyana Residence in Sofia on New Year's Eve to present greetings to the party and state leaders of Bulgaria. The excited children offered wishes for good health and long life and promised to work hard at school.

Comrade Todor Zhivkov thanked the youngest citizens of our country for their warm words and wished them and their fathers and mothers health and happiness in the New Year.

The old year, said Comrade Zhivkov, was a year of work completed, of changes in our social life that give us the right to expect even greater successes in labor, study, and the struggle for peace. Our first leader told the children that a marvelous festival awaits us during the coming year of 1988—the Fourth International "Banner of Peace" Children's Assembly, with its motto "Unity, Creativity, and Beauty."

Leaders' Public Appearances 23 Dec-2 Jan

AU022104 [Editorial Report] Sofia Domestic Service in Bulgarian in its newcasts, the Sofia press, and BTA during the 27 December-2 January monitoring period report the following public appearances of Bulgarian leaders (sourceline of each report given in parentheses):

Todor Zhivkov, Georgi Atanasov, Grisha Filipov, Milko Balev, Chudomir Aleksandrov, Georgi Yordanov, Vasil Tsanov, Dimitur Stanishev, Emil Khristov, and Stoyan Mikhaylov held a meeting with outstanding Bulgarian athletes of 1987 in Sofia on 28 December (Sofia BTA in English 1907 GMT 28 Dec 87; filed as AU281944), at which Zhivkov made a speech (Sofia RABOTNICHESKO DELO in Bulgarian 29 Dec 87 pp 1, 6).

Milko Balev, Petur Mladenov, Andrey Lukanov, Nacho Papazov, and Dimitur Stanishev attended a traditional meeting in Sofia on 29 December of the staff of the Ministry of Foreign Affairs and the Soviet Embassy (Sofia Domestic Service in Bulgarian 2000 GMT 29 Dec 87).

Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, visited Strazhitsa on 29 December and made a speech there (Sofia BTA in English 1818 GMT 29 Dec 87). In Sofia's Boyana Residence on 31 December Zhivkov and other party and state leaders received greetings from children of Varna Municipality (Sofia Domestic Service in Bulgarian 0400 GMT 1 Jan 88). In Sofia on 1 January Zhivkov and other party and state leaders attended a festive concert in the Lyudmila Zhivkova People's Palace of Culture marking the opening of a 7-day music festival (Sofia Domestic Service in Bulgarian 1830 GMT 1 Jan 88).

Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers, received the Lao ambassador in Sofia on 23 December (Sofia RABOTNICHESKO DELO in Bulgarian 24 Dec 87 p 1).

Milko Balev, Politburo member and secretary of the BCP Central Committee, spoke at a ceremony in Sofia at which Soviet Ambassador Grekov was presented with a Bulgarian edition of a book by Gorbachev (Sofia BTA in English 1557 GMT 29 Dec 87). He had talks with a CPSU Central Committee delegation that ended its working visit to Bulgaria on 31 December (Sofia Domestic Service in Bulgarian 1600 GMT 31 Dec 87).

Army General Dobri Dzhurov, member of the BCP Central Committee Politburo and minister of national defense, attended a meeting with cultural and artistic figures in the Central Club of the Bulgarian People's Army in Sofia on 28 December (Sofia NARODNA ARMIYA in Bulgarian 29 Dec 87 pp 1, 3). He met with outstanding services sportsmen and sportswomen of 1987 in the Army Sports Club in Sofia on 29 December (Sofia Domestic Service in Bulgarian 1830 GMT 29 Dec 87).

Petur Dyulgerov, candidate member of the BCP Central Committee Politburo and chairman of the Central Council of Bulgarian Trade Unions, presented awards in a meeting of the Secretariat of the Bulgarian Trade Unions Central Council with outstanding inventors in Sofia on 28 December (Sofia RABOTNICHESKO DELO in Bulgarian 29 Dec 87 p 6).

Andrey Lukanov, candidate member of the BCP Central Committee Politburo and minister of foreign economic relations, signed an 1988 trade protocol with the USSR in Moscow, according to a BTA report datelined 30 December (Sofia BTA in English 1910 GMT 30 Dec 87).

Grigor Stoichkov, candidate member of the BCP Central Committee Politburo, accompanied Zhivkov on his visit to Strazhitsa on 29 December (Sofia BTA in English 1818 GMT 29 Dec 87).

Dimitur Stanishev, secretary of the BCP Central Committee, returned to Sofia from his visit to Africa on 23 December, being met at Sofia airport by Vasil Tsanov, secretary of the BCP Central Committee (Sofia RABOTNICHESKO DELO in Bulgarian 24 Dec 87 p 6). He also received a visiting CPSU Central Committee delegation that departed from Bulgaria on 31 December (Sofia Domestic Service in Bulgarian 1600 GMT 31 Dec 87).

Jakes To Pay Working Visit to USSR

LD031220 Prague Domestic Service in Slovak 1200 GMT 3 Jan 88

[Text] Milos Jakes, general secretary of the CPCZ Central Committee, is to leave in the next few days for a working visit to the Soviet Union. It is taking place at the invitation of the CPSU Central Committee.

Spokesman on U.S. Binary Weapons Production

LD031832 Prague CTK in English 1746 GMT 3 Jan 88

[Text] Prague Jan 3 (CTK)—"The launching of the production of binary weapons is a dangerous step which runs counter the effort of peace-loving states to ease international tension and reduce the risk of a military confrontation," Czechoslovak Foreign Ministry Spokesman Dusan Rovensky has told CTK.

"It is striking that Washington made its decision concerning the production of binary weapons literally several days after the signing of the Soviet-U.S. treaty on the elimination of medium- and shorter-range missiles when a more favourable atmosphere for the continuation of the disarmament process was created," Dusan Rovensky said and recalled that a principal agreement was reached during the Soviet-U.S. summit concerning a general international accord providing for a ban on and liquidation of chemical weapons.

A significant progress was reached last year at the Geneva talks on a ban on chemical weapons and the prospects for further dialogue are promising. It is now most important not to take any steps hampering the positive development, Dusan Rovensky said and stressed the need for deeds creating good atmosphere in the effort for a ban on chemical weapons, deeds strengthening confidence.

The Czechoslovak Foreign Ministry spokesman voiced the belief that an international agreement on a general and complete ban on chemical weapons could be signed as early as this year. In this connection he pointed out Czechoslovakia's active participation in the activity of the Geneva disarmament conference and its contribution to agreement on all the key problems including questions of control and liquidation of chemical weapons.

Dusan Rovensky emphasized that the proposals and flexible stands of the Soviet Union had a considerable influence on progress in the formulation of the agreement concerning a ban on chemical weapons. Also significant was the joint initiative of Czechoslovakia and the German Democratic Republic to create a zone free of chemical weapons in Central Europe, Dusan Rovensky said and added that the two countries and West Germany continue their tripartite talks on this issue at the level of ambassadors in Geneva.

Czechoslovakia stands for the continuation of efforts to eliminate chemical weapons simultaneously with efforts for disarmament in the sphere of nuclear and conventional weapons, Dusan Rovensky stressed.

Jakes Says Restructuring 'Only Possible Road'

LD031801 Prague CTK in English 1618 GMT 3 Jan 88

[Text] Prague Jan 3 (CTK)—General Secretary of the Czechoslovak Communist Party Milos Jakes and Party Presidium Member and Chief Secretary of the Communist Party Prague City Committee Antonin Kapek visited today, the first day of the 3rd year of the 8th Five-Year Plan (1986-1990) the CKD plant railway-engine section in Prague.

Milos Jakes stressed in his address at a meeting with workers that the restructuring of society, launched by the Soviet Union and joined by Czechoslovakia together with other fraternal countries, is the only possible road. The basic directions of acceleration of the socio-economic development were set by the 17th Congress of the Czechoslovak Communist Party and made more concrete by the 7th session of the party Central Committee, Milos Jakes said and added: "We have bold aims which cannot be achieved by old methods."

He stressed that initiative must now be orientated on scientific-technological development, international socialist division of labour and particularly on direct contacts between Czechoslovak and Soviet enterprises. Any progress would be impossible without intense, consistent and high-quality work from the first day of the year, Milos Jakes said.

Accompanied by Antonin Kapek and other representatives, Communist Party General Secretary Milos Jakes visited later in the day the foundry of the CKD plant and met with its workers and technicians.

In their debate workers pointed out the existing problems in the plant. On the other hand they voiced support for the conclusions of the 17th Communist Party Congress and all following sessions of the party Central Committee, particularly the road towards the restructuring of the economic mechanism and further deepening of socialist democracy. They also appreciated the high standard of the debate on the bill on state enterprise.

Commentary on Events of January 1968

RUDE PRAVO Says Socialism 'Threatened'

LD040914 Prague CTK in English 0855 GMT 4 Jan 88

[Text] Prague Jan 4 (CTK)—RUDE PRAVO today recalled the Czechoslovak Communist Party Central Committee meeting in January 1968, the task of which was to settle questions of social development, and said that the common denominator of these efforts was to

strengthen the leading position and authority of the party in society, to develop socialist democracy and strengthen socialism in Czechoslovakia.

The Czechoslovak Communist Party newspaper stressed that these efforts had been misused by right-wing forces and gradually a situation arose in which the foundations of socialism in this country had been threatened.

Recalling the events in Czechoslovakia at the end of 1967 and in 1968, the paper stressed that in the summer of 1968 Czechoslovakia was on the verge of counter-revolution. "The internatonalist assistance of five socialist countries in August 1968 prevented the right wing and the anti-socialist forces from carrying out their intentions, it created convenient conditions for restoring the structure of the political system of socialism, socialist legality and order, for returning peace to the country for further development of material and cultural values", the paper said.

RUDE PRAVO stressed that Czechoslovakia has covered a long distance since the moment when the party and society succeeded in successfully overcoming the crisis period.

New conditions have been created in which the party and society face new tasks. The recent 7th session of the Czechoslovak Communist Party Central Committee adopted a comprehensive program of changes. The essence of these changes, led by the Communist Party, is an economic reform, fundamental changes in the management system, deepening of socialist democracy, transition from a predominantly administrative to predominantly economic management, elimination of old practices and stereotypes in thinking and acting in conformity with extensive economic management. "In this effort we rightly support everything positive that is linked with the experiences of our party and society and with the serious lessons from the events twenty years ago.

In connection with the events which took place twenty years ago "our ideological and class enemy has been spreading allegations that what the right-wing opportunists and revisionists were aiming at in Czechoslovakia in 1968 is identical with the reconstruction in the USSR, with the efforts of the Soviet communist party after its 27th congress", RUDE PRAVO further wrote.

"This is an outrageous, shameless and thin lie. The leaders of the right wing in Czechoslovakia aimed at dismantling socialism, it was a course which cannot be called better than a counterrevolutionary development. The program of reconstruction in the USSR, in our country as well as in other socialist countries is a program of developing socialism, of developing socialist democracy. The attempt of those whose political plans failed in 1968 to sponge on reconstruction, to activate themselves politically and achieve rehabilitation is an expression of grossly deformed conception of reconstruction, an attempt to follow up the policy which failed twenty years ago", RUDE PRAVO stressed.

Unity 'Seriously Impaired' in 1968

LD022023 Prague Domestic Service in Czech 1730 GMT 2 Dec 87

[Zdenek Thomas commentary: "A resolute struggle against shortcomings calls for the support of all society under CPCZ leadership"]

[Text] Tomorrow, it will be 20 years since a plenum of our highest party body met for deliberation. The political resolution adopted called, at that time, for fundamental changes in the methods of the party's work, the management of society, and for a resolute struggle against shortcomings that were criticized. It stressed our firm unity with the Soviet Union and our membership of the socialist community; the need to deepen the party's ideological and action unity, and to consolidate Leninist principles in its activity and the party's leading role in society. The need to face up to the extraordinarily difficult tasks took prominence at that time.

Of what did they consist? In particular the need to ensure the transition of the economy on to intensive development, to change the structure of the manufacturing base with the help of science and technology, and to continue the development of socialist democracy.

The question arises quite logically: Why were we unable to tackle successfully these tasks after the January 1968 session of the party Central Committee? This was because unity within the party leadership was seriously impaired. The leadership was politically heterogeneous and disunited and failed to attract and give proper direction to the growing wave of public activity. Moreover, the threat that the mobilization of the right-wing, antisocialist forces constituted for the party and all society was underestimated. They then succeeded in impairing the activity of the party and the functions discharged by the state, as well as the ties of alliance with the Soviet Union and other socialist countries.

In sum, this is a historical experience and an example of what it means when the collective will, in tune with the view of the people, is replaced by subjective decision-making, formalism, and by delaying resolute solution of problems. It is thus not by chance that the party is placing such an emphasis in the present stage on the relationships of trust from top to bottom and vice versa. It consults people, depends on their knowledge and takes a responsible account of their view. I will give at least one example: the scientific analysis and use of more than 100,000 comments and suggestions arising from the public debate on the three draft bills on state enterprise and cooperatives.

Whenever the party had a clear objective, unity in its own ranks, and the active support of the people, whenever it managed to learn from shortcomings and to make use of the creative initiative of all members of our society then there were results. It is enough to recall the fundamental changes achieved after February 1948 in implementing the general line set by the ninth party congress; how much effort was made in overcoming shortcomings, and how many obstacles our society were surmounted under the party's leadership.

That is why we link our interests with such a certitude, with the calls for the acceleration of our social and economic development, for adopting as our own the entire process of the comprehensive restructuring of the economic mechanism, and likewise the topical issues on further developing socialist democracy in the conditions of growing activity of the National Front.

This, of course, is not enough by itself. The prerequisite of our success is an everyday resolute struggle against shortcomings of all kind, against complacency, unwillingness to act; the struggle against the manifestations of formalism and bureaucratism. Much has been done and we have something to follow on. Much more work, however, is ahead of us. Each of us must begin with himself. The historic opportunity of achieving a revolutionary transformation of social relations is indisputable. This is also because we are able to rely in our efforts on the truly democratically accepted leading role of the party in our society, and because we are resolved to support its realistic and truly humane program for the benefit of each individual, everyone who will contribute by specific work toward an even more resolute step forward, enriched by experiences.

Husak Gives New Year's Address

LD011350 Prague Domestic Service in Czech 1200 GMT 1 Jan 88

[New Year's Address by President Gustav Husak—live or recorded]

[Text] Esteemed comrades, dear friends: As is traditional in our country, when entering the New Year, I greet you all cordially on behalf of our highest political and state organs, and also on my own behalf. I wish that you may spend this year in good health and that you might succeed in your life and work, that your families might enjoy peace and happiness—simply, as people say, all the best.

The results of 1987 were assessed that the December session of the CPCZ Central Committee. They were widely publicized, I am sure you know them. I shall therefore be brief: The Central Committee praised the dedicated work accomplished by our citizens, and there was a lot of it. At the same time, it critically pointed to the fact that not all the intentions, which we had undertaken, which we had planned, have been fulfilled. On the basis of this, the Central Committee set out the policy of the party for the coming period. Great stress was placed, in particular, on overcoming shortcomings in the development of the economy. The good results of joint work condition the safeguarding of the standards of living and social security of the people. This has been mentioned many times before, but it continues to be true. In all walks of life, we are entering this activity; in fulfilling the demanding tasks of this year's plan, it will be with maximum degree of responsibility.

The conclusions of the December session of the CPCZ Central Committee continue to develop the program set out by the 17th congress and worked out by the Central Committee at its previous sessions. Just as the other fraternal countries, we are implementing the strategy of speeding up social economic development, restructuring all spheres of the life of the society and deepening socialist democracy. This is a response to the demands of the new stage, above all the stormy development of the scientific and technical revolution. It is the path toward the fullest possible use of the creative potential of socialism, developing its democratic essence, and humanitarian content.

I should like, in this connection, yet again highly to stress the truly historical significance of innovative ideas and the bold policies of Soviet communists during the revolutionary restructuring of Soviet society. They represent an example for us also, they are a source of experiences and strength in tackling our tasks.

This year also, it will be, above all, preparation and gradual implementation of the economic reform that will be in the forefront of our attention. We are building on the vast work performed in this direction last year. A broad public discussion assessed and supported proposals of the key laws that constitute a significant part of restructuring—the legal foundation. The resolution on the comprehensive restructuring of the economic mechanism, which has now been adopted at the session of the CPCZ Central Committee, sets out concrete organizational, topical, and temporary policies of its implementation. In their extent, depth, and high standards, the tasks are exceptional. We have the necessary conditions for mastering these tasks. It will, however, require persistence and consistency, courage and determination, and higher quality work from everyone.

Speeding up the pace of socioeconomic development means activating the creative forces of the whole of our socialist society, and applying as widely as possible the energy, interests, wisdom and experience of the broad strata of the working people. That is why we emphasize the need to further deepen socialist democracy and develop self-management. We will continue in this spirit in all sectors in developing democratic methods of work and the policy of openness, public information, and control. We will extend the participation of all citizens—communists, members of other political parties and those with no party affiliation—in shaping and carrying

out our policy. We consider the new status of work collectives in particular, as laid down in the draft state enterprise bill, to be a step of fundamental significance.

The development of the rich and multifaceted life of society is bound up with the further enhancement of the role of the National Front and with improving the activity of the social and interest-based organizations, as well as the political parties affiliated to it. Practically the whole of the adult population is organized in one or another element of the National Front. The great tasks facing us will be greatly assisted by drawing on this force.

Restructuring also profoundly affects the moral and political sphere. It means we must increase respect for honest and high-quality work—and I would say that this respect has considerably diminished—uphold socialist principles, promote an atmosphere of trust in people and good comradely relations between them.

Dear friends: The life of our society is profoundly linked with international affairs. Over the last year, we have followed with warm fellow-feelings and sincere support the endeavors by Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee, and the unflagging struggle of the Soviet Union and the whole socialist community to avert the nuclear threat and strengthen international security. We sincerely welcomed the results of the historic meeting between the leaders of the Soviet Union and the United States last December in Washington. They represent the first concrete step toward real nuclear disarmament, and although a large number of obstacles will still have to be overcome, we believe that this step will be followed up by tackling further key issues of disarmament, both nuclear and conventional.

Socialist Czechoslovakia will continue to promote the relaxation of international tension and constructive cooperation in Europe and throughout the world. Today's trends in international affairs justify our confidence that in the future too the conditions will be guaranteed for our people to live and work in peace, and this is something we all wish with all our hearts.

Comrades: This year we will be recalling the anniversaries of a series of watersheds in the historic destiny of our nations. Among them are the 70th anniversary of the founding of the first independent state of Czechs and Slovaks in modern history, the Munich tragedy, which buried the first pre-war republic, the glorious victory of the people in February 1948, and also the events connected with the crisis developments 20 years ago. These anniversaries reflect the difficult and complex struggle of our nations for national and social liberation, to establish people's power, and for the victory and development of socialism.

The experience of those struggles confirm the historic correctness of the choice made by our people in February 1948. It demonstrates the vital interests and unity of our people, the fraternity of the Czechs and Slovaks, the historic mission of the Communist Party, and our friendship and alliance with the Soviet Union and the other fraternal socialist countries. It is a source of national pride, patriotism, and internationalism for us.

We send sincere New Year greetings to Czechoslovak citizens carrying out their duties abroad. We warmly greet the fraternal Soviet people, the peoples of the other socialist countries, and all friends of Czechoslovakia around the world.

Let me conclude by thanking all those whose honest work has contributed to the contented life of our people. Let me once again wish you, dear friends, good health, happiness and success in your life and work in the new year. Let us all do everything together to ensure the further prosperity of our homeland, the Czechoslovak Socialist Republic!

Dissident Freed; Jazz Section Request Denied

AU031926 Paris AFP in English
1824 GMT 3 Jan 87

[Text] PRAGUE, Jan 3 (AFP)—Karel Srp, president of a leading dissident Czechoslovak culture group, was released on Friday at the end of a 16-month jail term that was handed down for "illegal commercial activities," his associates said here Sunday.

Mr. Srp, 50, had been jailed in September 1986 along with five other leading members of his organisation, known as the Jazz Section.

Last October, the Jazz Section applied for authorisation to set up a legal cultural organisation, to be known as Unijazz, but their request was turned down.

Set up in 1971, Jazz Section organised independent shows based on jazz music and linked with performers in the West. It was legally dissolved last May, after the arrest of the six Jazz leaders.

Stoph Address on 1988 Economic Plan

AU021201 East Berlin NEUES DEUTSCHLAND in German 19-20 Dec 87 pp 3-5

["The 1988 Plan—Challenging Program for New Successes on Our Main Battle Field; speech by Willi Stoph, chairman of the GDR Council of Ministers and member of the SED Central Committee Politburo, on the Substantiation of the Draft Law for the 1988 National Economic Plan"]

[Text] Esteemed Deputies: The draft law on the 1988 National Economic Plan which has been submitted for discussion and adoption, and which was approved by the SED Central Committee at its fifth session, is aimed at the further consistent implementation of the 11th SED Congress resolutions. This plan—as can rightly be claimed—assumes a key role in fulfilling the 1986-90 5-year plan. In his closing speech at the fifth Central Committee session, Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, outlined the main points of emphasis for the coming plan-year. Thus, he has provided basic guidelines which are of essential importance for the work of the Council of Ministers and its organs, for the local councils, as well as for all combines, enterprises, and cooperatives, and for scientific and other institutions.

Citizens Participate Actively in Social Tasks [subhead]

The goals for 1988 are determined by the necessity to further raise performance in all spheres of the economy and step up the production efficiency on the path of comprehensive intensification. This is of fundamental importance for the successful continuation of the main task of being benefical to our people, strengthening socialism, and the preserving of peace. In this we rely in a proven manner on the industrious and imaginative work of the millions of working people throughout towns and the country, on the creativity of scientists, engineers, innovators, and on the devoted work of the managers in enterprises, combines, and state organs.

It is part of the essence of socialist democracy in the GDR to actively include the working people and all other citizens in the fostering of political commitment and in the drafting and fulfillment of social tasks.

The 1988 Economic Plan was drafted with this basic idea in mind. With the creative participation of the trade unions, over 6.2 million working people took part in discussions of the plan and submitted more than 649,000 proposals for tapping reserves in performance and efficiency, for perfecting management, planning, and economic accountability and for further improving working and living conditions.

The workers, cooperative peasants, members of the intelligentsia, and other working people, who participated with wise thoughts and ideas, expressed their determination to devote all their strength, through higher personal performance, to the fulfillment and, wherever possible, overfulfillment of the plan. Many combines and enterprises created important conditions through exemplary and comprehensive fulfillment of the plan through the end of November this year.

As of the End of November 190,240 Apartments Had Been Newly Built or Modernized [subhead]

Esteemed Deputies: In general, it can be stated that in the implementation of the economic strategy adopted by the 11th party congress economic growth in the GDR continued successfully in 1987.

As of the end of November the national income of the national economy had increased by 4 percent, and industrial production had grown by 3.6 percent in the sphere under the industrial ministries; net production had grown by 6.1 percent and labor productivity was up 6.5 percent. In important areas, particularly in the development and practical application of key technologies, significant achievements with high economic yields were attained.

Construction rose by 2.3 percent. In the implementation of the housing construction program—the core of the social policy of the party and government—as of the end of November 190,240 apartments had been built or modernized and living conditions for a further 571,000 citizen improved. The cooperative farmers and all workers in the agricultural, forestry, and food industry have had high, stable performances with high achievements in crop and livestock production and in ensuring the supply of everyday products.

Thanks for the Achievements of the Working People [subhead]

The results of 1987 can be assessed all the more highly since—as you know—a series of factors beyond our control have hindered economic activity. The prolonged winter at the beginning of the year required the additional expenditure of M4.6 billion.

The changes taking place in the international market, particularly the price slump of oil products and other commodities, also affect the GDR's national economy. If one takes all the factors together that mark the economic development of 1987, one can state that the great achievements of the working people in socialist competition deserve our appreciation.

A factual analysis, however, shows that some of the difficulties and obstacles stem from subjective deficiencies and are thus avoidable. The Council of Ministers has drawn significant conclusions from this. There are significant economic reserves, which are to be fully utilized in the coming year, in the further improvement of leadership activities, in the consistent assumption of responsibility by every manager, and in safeguarding order and discipline at every workplace.

The thorough preparation of the start of the 1988 plan must therefore be linked with the profound assessment of the year which is coming to a close, with the speedy and broad application of the best experiences, as well as with the purposeful elimination of deficiencies that still exist. Everyone is asked to wage a vigorous struggle for the comprehensive fulfillment of the 1987 plan until the last day of the year and for the realization of all contracts by making full and efficient use of the working hours and the production facilities.

Esteemed Deputies: There is an indissoluble link between our policy for the welfare of the people and the continuation of the foreign policy of the GDR, which is aimed at peace, disarmament, detente, and mutually advantageous cooperation, as laid down by the 11th SED Congress. If one reviews the most recent developments, one can see that the peace policy of socialism is exerting a profound and beneficial influence on world politics. Attention and receptiveness for the far-reaching and sincere initiatives proposed by the Political Consultative Committee of the Warsaw Pact states at the Berlin meeting have grown considerably.

In firm alliance with the USSR and the other fraternal socialist countries, the GDR stands shoulder to shoulder with all those who support respect for basic human rights and the pursuit of peace. The GDR will continue to show itself to always be a reliable ally within the coalition of socialist states. We will strengthen and deepen the fraternal bond with the USSR and the other socialist states in a comprehensive way. We fully support the efforts of the Soviet people in further restructuring their country. We cherish our friendship with the Soviet Union as one of our most precious achievements and the most important basis for previous and future successes.

Cooperation Among Forces of Reason [subhead]

In close cooperation with the USSR and all other socialist states, the GDR is working to strengthen the international positions of socialism. Friendship and cooperation characterize relations between the GDR and the states of Asia, Africa, and Latin America. In the countries and peoples of those parts of the world, the GDR sees important companions in striving for a world of political, military, and economic security. We continue our solidarity and support their work to end the arms race on earth and to prevent its expansion into space; against exploitation, misery, and oppression in any form; for political and economic relations based on equal rights; and against the imperialist interference and policy of aggression in the Middle East, Central America, Southern Africa, and in other regions.

Together with the states of Asia, Africa, and Latin America, the GDR favors facing up to the challenges of our time through joint action in the international arena by all forces of reason and realism. It will consistently continue to advocate the settlement of international hotbeds of conflict through negotiations under the observance of the interests of all parties concerned, so that the international community can bring about peace, disarmament, and development all over the world.

Thanks to the joint worldwide peace program of the Warsaw Pact states, inspired by the Soviet party and state leadership and by Mikhail Sergeyevich Gorbachev personally—a program that is receiving more and more active support from the forces of peace, reason and realism all over the world—for the first time in history one succeeded, with the signing of the Soviet-U.S. treaty of 8 December 1987, in agreeing on the worldwide elimination of medium- and shorter-range missiles of the two states.

Opportunities for a Fundamental Change in the Direction of Disarmament [subhead]

This is a great victory for peace which cannot be valued too highly. It has demonstrated that it is always worthwhile to struggle for the decisive human right, for peace.

On behalf of the GDR Government I confirm the GDR's full support for the persistent and resourceful work of the Soviet party and state leadership and of Comrade Mikhail Sergeyevich Gorbachev personally for the preservation and safeguarding of peace.

The Soviet-U.S. treaty, to the conclusion of which the activities of many states have contributed, including the nonaligned states as well as antiwar movements and peaceful forces on all continents, opens up the opportunity for a fundamental change in international relations toward disarmament.

The GDR welcomes this treaty, as it does the agreement in principle that there will be further negotiations on a reduction of the strategic offensive weapons with the preservation of the ABM treaty. These results of the meeting of the top representatives of the USSR and the United States are a great encouragement and at the same time an appeal to all forces interested in the preservation of peace to open further the door to disarmament and detente.

The GDR contributed to these Soviet-U.S. summit agreements with its persistence and consistency, with firmness of principle, and also with flexibility. It will continue to do everything within its power to put into practice the peace program of socialism reaffirmed and further developed by the Berlin meeting of the Warsaw Pact states in May of this year. Renewed proof of this is the agreement signed by the GDR, the USSR, and the CSSR on 11 December on inspections in connection with the Soviet-U.S. treaty on the elimination of their medium- and shorter-range missiles.

The start to real nuclear disarmament that has now been initiated has a beneficial effect on the international climate. To embark on this path and to go further along it will lead perceptibly to more trust and stability.

Included in this are urgently needed disarmament measures in other spheres, too, such as a halving of the strategic offensive weapons of the USSR and the United States, the safeguarding of peace in space, a halt to all nuclear tests, the elimination of chemical weapons, and a drastic reduction in forces and conventional arms from the Atlantic to the Urals. Existing asymmetries should be eliminated by disarmament and not by arms build-ups. All this means directing the military doctrines of the alliances exclusively toward defense, as already proposed by the Warsaw Pact states at their Berlin meeting.

Moving From Zero Option to Zero Option [subhead]

Therefore the GDR is in favor of moving from zero option to zero option on the basis of equality and equal security. In this way the worldwide call for "Disarmament for Development" would be given a real chance for the first time. Enormous means would become available for solving the most urgent tasks of mankind. The treaty has now been signed, but it has not been ratified. We do not overlook the fact that the most aggressive forces of imperialism and NATO have by no means given up their efforts for military superiority and global hegemony or their resistance to the treaty.

Extremely dangerous are the plans to undermine the results of the double zero option through the introduction of new weapons systems in order to limit the process of disarmament and in this way not to disarm but to "re-equip." Great efforts are required from all states and peoples, especially now, so that what has been agreed upon in Washington becomes reality. Situated in the middle of Europe, the GDR is continuing its activities for progress in reducing the high level of military confrontation in this region and to expand trust and cooperation in such a way that they make a lasting and peaceful coexistence possible for all inhabitants. In this we give priority to further steps leading to the elimination of all nuclear weapons as well as to the start of reducing chemical and conventional weapons in Europe. The initiatives of the GDR for the creation of a chemical-weapon-free and nuclear-free zone are also aimed at this.

Visit to the FRG Makes Clear the Changes of Great Consequence [subhead]

Together with its allies the GDR is working with all its strength for the conclusion of the Vienna CSCE follow-up meeting with a substantial and balanced document. We are interested in the progress of all areas of the Helsinki Final Act which make possible the opening of fruitful negotiations on conventional disarmament and on the development of cooperation in the spheres of economy, science and technology, culture, and the humanitarian field. The policy of the GDR is and will continue to be based on the conviction that, despite the complicated nature of things, there is no problem in the world today that cannot be resolved through negotiation.

Our policy of active dialogue for disarmament and peaceful coexistence, which is based on reason and realism, helps to promote understanding of the indispensability of political thought and action appropriate to the nuclear space age. It helps to develop new forms and methods in relations between the systems, states, and regions for the safeguarding of peace, mutually advantageous cooperation and for the solution of other global problems. Here the personal contribution of the leading representative of our state, Comrade Erich Honecker, finds worldwide recognition.

The GDR also incorporates the development of its relations with the FRG in this policy of preservation of peace. Comrade Erich Honecker's official visit to the FRG underlines changes of great consequence in this relationship, which are important for all of Europe. Thus, agreement was reached that the two German states must work actively to further a reduction in nuclear, chemical, and conventional arms and the replacement of confrontation by mutually advantageous cooperation.

This includes recognition once and for all of the following realities: There are two German states whose independence of each other, equality, and inviolability of borders constitute decisive factors for stability, calm, and security on the whole European Continent. It was pointed out to those who still support a so-called open German question that socialism and capitalism can be united as little as fire and water. If the two German states are always guided by respect for sovereignty, equality, and noninterference, by objectivity, predictability, and a proper regard for legitimate interests, then continued progress will be made in relations between the GDR and the FRG. The agreed joint communique offers sufficient possibilities for this.

Higher Yardsticks in Comprehensive Intensification [subhead]

Esteemed Deputies: The submitted draft law for the 1988 National Economic Plan, in terms of contents and targets, is based on the requirements of the economic strategy up to the year 2000, as stipulated by the 11th SED Congress. The aim is to increase rapidly production and its efficiency in line with the growing needs of socialist society and the demands stemming from the international development next year and to increase the pace even more in certain areas. Thus, it is planned to increase the produced national income by 4.1 percent, net production in the sphere under the industrial ministries by 8.0 percent, and industrial commodity production by 4.1 percent. This growth rate, which is considerable even in international terms, requires energetically and comprehensively accelerating the entire economy. To achieve this, higher yardsticks are to be applied in all spheres.

High Technologies Are Decisive [subhead]

The 1988 draft plan is based on the aim of linking the advantages of socialism even more successfully with the achievements of the scientific-technological revolution. This is the basic prerequisite for securing the outlined performance and efficiency growth. In this, the introduction of the key technologies has a decisive place.

It is essential to use and further develop with utmost economic and social efficiency the facilities created in this sphere, which entailed and entail great expenses for the national economy. Our socialist production conditions offer all the prerequisites for that.

The 1988 Science and Technology State Plan contains 780 tasks regarding the transferal of research and development results, which are significant for the national economy, into production. The target to create 23,500 CAD/CAM work stations is especially important.

Together with the tasks that were planned in the combines and research facilities—each of them being individually responsible— the process of product renewal has to be carried on, above all with higher quality, and also faster and with numbers of units that correspond to the domestic demand, and higher efficiency on the foreign markets.

It is of decisive importance to consistently link the development of new products with the introduction of new technologies, in order to decisively reduce expenses and to considerably increase efficiency. We have to save 612 million working hours, 20-25 percent of them only by applying microelectronics.

Good Examples for the Successful Implementation of the Economic Strategy [subhead]

Such combines as the Oberspree Cable Works, Berlin, the Karl-Marx-Stadt "Fritz Heckert" Machine Tool Combine, as well as the Leipzig "Werner Lamberz" Printing Combine and the Karl-Marx-Stadt Household Appliances Combine, have achieved excellent economic results, precisely because they are dedicating great attention to the unity of product and technology development.

The results that have been achieved this year in the Printing Combine—a growth of net production of 12.4 percent and of labor productivity of 12.6 percent, a 2.9 percent reduction of prime cost, a renewal rate of 37 percent, and 2.6 workers saved per industrial robot—show how the SED's economic strategy can be successfully implemented by consistently applying science and technology.

Such good examples, which are to be found in all spheres, have to be generalized must faster. The ministers are instructed to examine in a decidedly more concrete way why a great number of combines achieve high growth rates and increased efficiency over years, while others lag behind and do not universally and completely fulfill their plan tasks.

Requirement of the Time: Close Cooperation With Science [subhead]

It is obvious: International top standard and the quick, economically efficient use of research and development results require even closer research cooperation between the combines and the scientific institutions and a more concentrated orientation of the facilities toward top performances. We will also proceed this way in the coming year.

Esteemed Deputies: In 1988 again considerable investment capital will be available; in the national economy it amounts to M74.1 billion in toto, M61.7 billion of which are provided for the sectors of material production, which means a 9.4-percent increase compared to the 1987 plan. These means have to be applied in such a way that they achieve high economic results quickly. This entails the unavoidable claim to decisively raise the level of preparing and implementing the investments and to consolidate the state and plan discipline in this sector. This important lesson can be learned from the progress of the 1987 plan. For this purpose the Council of Ministers has passed the necessary resolutions. To prepare all tasks well, to implement them in a concentrated way, and to fulfill and overfulfill the planned parameters by starting production—this is the task that every responsible person has to perform in this sphere.

The modernization of basic assets for safeguarding and further expanding the existing production potential is continued in a concentrated and resolute manner. This requires considerable growth rates in in-house production of rationalization means and a further increase of the scientific-technological level of the production of rationalization means by the combines. That means that we increasingly let the combines themselves decide in this way the volume of their intensively expanded reproduction.

Utilization of Basic Assets in Terms of Time—A Great Reserve [subhead]

Improved utilization of the basic assets in terms of time, in particular of the most important production equipment, continues to represent a large reserve in our national economy. It is, above all, important to overcome the great utilization differences between comparable enterprises and machine groups. The principle remains unchanged: It is necessary to prove for every new machine a 3-shift utilization of the available technology.

With the 1988 national economic plan further steps have to be taken toward the efficient use of the social labor potential.

Each enterprise, cooperative, and institution is obliged to solve the growing tasks with the available labor force. Wishful thinking on this question will lead nowhere, it merely diverts attention from the task of increasing labor productivity more quickly and providing the necessary labor forces in this way. We can certainly say that in this respect we are in a more favorable situation in our socialist state when one sees the conditions prevailing in the FRG and in other capitalist countries with mass unemployment and no future for people who are 35 or 40 years old or younger.

The Schwedt Initiative under the slogan of "Fewer People Produce More Goods," which has been tested for years, will gain even more importance in 1988 and the following years. In this respect I want to point out especially the good experiences that were gathered in Zwickau in this respect. There it was possible, on account of the Municipal Council's close cooperation with all enterprises of the region, to open up considerable labor reserves for the growth of labor productivity, for a higher utilization of the basic assets, and for increasing rationalization means and the production of consumer goods.

The responsible state organs, combines, and enterprises should take up this initiative, evaluate it, and apply it immediately according to their specific conditions.

Esteemed Deputies: The interrelated target figures of the plan and the stable material-technological supply of the enterprises and combines depend considerably on the fulfillment and overfulfillment of the targets in the field of the economical use of material. It is planned to reduce unit input of material by 3.4 percent, for example with regard to rolled steel in the metal-working industry by 7 percent, and in the construction industry by 6.5 percent.

Higher results in the economical use of material have to be achieved through production renewal, by applying key technologies, especially microelectronics and CAD-/CAM technology, and by using new materials.

A prerequisite for good preparation of the 1988 plan is to immediately substantiate the fixed target figures for the economical use of material by concrete scientific-technological and rationalization measures. From the first month of the year on, these targets have to be continuously implemented. The norms and norm targets of material consumption have to be put through in every enterprise as binding minimum requirements, in every work process and for every product.

Determined Struggle Against Wasting Material [subhead]

The struggle against wasting material on account of bad quality, damaged goods, refinishing work, and production not in accordance with contracts has to be led in a more determined way than this has been done until now. This concerns above all the combines and enterprises in which this year an increase of the costs for damaged goods, refinishing work, and guarantee services was permitted.

An essential component of the plan is the higher utilization of secondary raw materials and industrial waste products. It is expected of the combines and enterprises that a more comprehensive recycling in the business and economic cycle will be implemented by intensifying the recording, preprocessing, transportation, and utilization processes.

After all, only if it is possible to drastically reduce prime costs in all sectors of the economy and to make high profits, will all our efforts lead to the necessary results in increasing the national income. This is the main source of the stability of state finances inherent in the socialist state and of financing the extensive social services that are a benefit to all GDR citizens.

In 1988 prime cost in industry are to be reduced by 1.6 percent and material costs by 1.7 percent. The implementation of the 1987 plan shows that work with cost calculation has to be further improved in a number of combines.

Through tested forms of the socialist mass initiative, the interest of the work collectives in reducing material and financial input is to be aroused even more and recognized appropriately. A model for this is the initiative in the Mansfeld combine, where honorary brigade and departmental economists in the collectives are very effectively influencing the observance of cost discipline.

Specific Tasks for Cooperation With the Soviet Union Through the Year 2000 [subhead]

Esteemed Deputies: As an efficient industrial state the GDR will continue to actively participate in the international socialist division of labor within CEMA and will contribute an important scientific-technological and material potential to this. On the basis of the long-term program of cooperation between the GDR and the USSR in the fields of science, technology, and production for the period through the year 2000 and the corresponding long-term programs with the other socialist countries, the 1988 plan contains specific tasks for 1988.

Mutual goods exchange will be expanded according to plan on the basis of the demand of the fraternal countries' national economies and with more effective utilization of specialization and cooperation. The combines and foreign trade enterprises are charged with providing the necessary commodity funds.

In implementing the decisions of the 43d extraordinary CEMA session, the GDR will actively contribute to raising cooperation among the member countries to a higher level and to further perfecting the work of the CEMA organs.

Economic and scientific-technological cooperation with the developing countries will be developed according to plan for mutual benefit.

Proceeding from the principles of peaceful coexistence, the GDR is shaping its trade with the capitalist industrial countries on the basis of mutual benefit. Long-term trade agreements and economic accords, which have been concluded with many of these countries, form good bases for this. In this connection, we presume that these relations are developing free of any political and economic discrimination and free of boycott and embargo measures.

The economic tasks related to safeguarding national defense as well as internal order and security are an integral part of the plan documents.

Energy Basis Will Be Further Strengthened [subhead]

Esteemed Deputies: The draft law on the 1988 national economic plan is setting demanding tasks for all sectors. They require a high degree of readiness for work, initiative, and discipline.

It is envisaged in the coal and energy sector to further strengthen the GDR's energy basis by better utilizing existing facilities and putting into operation new ones. We proceed from the premise that raw brown coal is and remains our most important source of energy. Production will be raised to 317.2 million tonnes next year. This will be done in particular by increasing output in the strip mines of Reichwalde and Seese-Ost.

Refinement of domestic raw brown coal to high-quality energy sources, such as gas, coke, briquettes, and pulverized fuel, is to be further advanced through intensification and renovation of existing facilities. This is an important contribution to the efficient use of energy sources, which at the same time leads to a reduction of environmental pollution.

Production of electric power is increasing according to plan because of the start of test operations in Block Five of the North Nuclear Power Plant, and in Block Six of the Jaenschwalde Brown Coal Power Plant. Nuclear safety is extensively guaranteed in the use of nuclear energy.

In 1988, too, the main source for meeting the rising energy demand of the population and the economy will be the economical use and transformation of energy. Unit input of energy is to be reduced by 3.8 percent—calculated on the basis of the produced national income. With their initiative "Full production with less energy," the workers of the Carl Zeiss Jena Combine have demonstrated how this task has to be tackled. The experiences gained in this initiative are to be made effective even more quickly throughout the national economy. This is an important assignment for all enterprises and combines as well as for the local and central state organs. The available secondary energy is to be used even more fully as the cheapest energy source.

It is a tested principle of socialist economic management to act against any form of energy waste. Checks on the responsible organs show that there are still great possibilities and reserves in this field. The energy input quotas do not give rise to any automatic claims. In line with the specific conditions, all combines, enterprises, and institutions have to work in a responsible way to undercut these quotas and to return the corresponding funds to the state.

In line with the draft plan, 12.2 billion cubic meters of domestic natural gas are to be produced. At the same time, all performances agreed on with the USSR for 1988 to be carried out in the Natural Gas Pipeline youth project have been integrated into the plan in order to create the preconditions for future imports of natural gas.

In evaluating the harsh winter at the beginning of 1987, great efforts to stabilize and increase the performance of the energy facilities were made in machine building, in the construction sector, and in the coal and energy sector on the basis of the decisions of the Council of Ministers. It is necessary to make use of every day to implement the fixed measures in such a way that supplies to the economy and the society are guaranteed under all weather conditions.

Increasing Contribution of Metallurgy in Introducing New Technologies [subhead]

The working people of the metallurgical industry have to create important preconditions for reducing unit input of material in many fields by increasing the production of highly refined goods by 3.4 percent. It is, in particular, machine building that is to be effectively supported by this in improving the input-output ratio.

Production of special materials for microelectronics and other users in the economy will be further increased, which means that metallurgy has to make an increasing contribution to introducing key technologies.

With a production volume of about 3.5 million tonnes of potash fertilizers, the demand of the national economy is to be reliably met and the planned export of high-quality potash fertilizers is to be secured.

Effective Use of Means in Renovation and Maintenance [subhead]

In 1988 the combines of the chemical industry have to fulfill important tasks to provide raw materials and semi-finished products for the national economy and export as well as consumer goods for the population.

A focal point is the further increase of the stability of performance-determining production facilities. To this end, the Council of Ministers has decided on measures for renovation and preventive maintenance. The extensive material and financial means, which will, also be provided for this purpose in 1988, have to be used in a highly efficient way.

In implementing the economic strategy, it is envisaged that the chemical industry makes more use of domestic carbochemical raw materials and increases the production of high-quality plastics and elastics and of raw materials for microelectronics.

The production of light products is to be raised to 69 percent through higher refinement of the available crude oil.

The introduction of scientific-technological results into the chemical fiber industry is to considerably increase production of synthetic fibers and synthetic silks as an important precondition for the development of production performance and quality in light industry.

High Speed in Microelectronics [subhead]

In 1988, electrical engineering, electronics, and machine building have to provide important stimuli for technical and technological progress throughout the national economy and for noticeable improvements in the supply of industrial consumer goods to the population. High performances in these branches are multiplying factors for a rising national income on the basis of comprehensive intensification.

It is particularly microelectronics that has to be further developed at high speed for this purpose. It is to be applied to a rising extent in highly productive machinery and facilities and in industrial consumer goods. The 1988 plan meets this requirement by envisaging above-average growth rates in microelectronic products and equipment.

In all sectors of the economy the opportunities thus created to increase labor productivity, which go far beyond any achievements to date, to gain labor for other national economic tasks, to reduce costs, and to increase the efficiency of the entire reproduction cycle are to be used even better. They must be reflected in high economic results in enterprises and combines.

High growth rates are envisaged for the machine-building combines. At the same time, it is necessary to adjust the product structure even more quickly to the rising demands emerging in the GDR and on the foreign markets as a result of the scientific-technological revolution. An important conclusion drawn from 1987 is that we have to see to it that production, in particular that of products listed in the state plan, is carried out consistently and in the required quality, according to the justified national economic demand.

Attention to Demand-Oriented Supply of Spare Parts [subhead]

Particular attention is to be paid to raising the production and demand-oriented supply of spare parts. This applies especially to those spare parts where procurement is still not sufficient. It is also necessary to achieve more stable supplies of component parts and individual parts, more intensive regeneration, stock management based on economic principles, and an effective system of distribution.

The Council of Ministers has instructed the responsible ministers to intensify the efforts to solve these problems on a lasting basis.

The 1988 plan provides the combines of the metalworking industry with responsible tasks to further impro e the supply of industrial consumer goods to the population. The increasing requirements resulting from the rising demands of the GDR's citizens are to be met better and better. Therefore, high growth rates are envisaged for such products as stereo radio recorders, color television sets, hi-fi equipment, and magnetic tape recorders.

Already in the past, combines such as Karl-Marx-Stadt Household Appliances and Suhl Electric Appliances made considerable efforts that have been visible in the retail trade shops to supply the population with high-quality consumer goods. It is necessary to generalize their exemplary way of work in all sectors of the national economy.

Modern Technology for Consumer Goods Production [subhead]

In general, it is necessary to make the extensive social advances with regard to the development and application of microelectronics more effective for consumer goods production.

Through rationalization and the introduction of new technological methods and equipment, the capacity of light industry is being purposefully increased. The people expect the responsible managers in this industrial sector to provide on this basis high growth and a qualitatively further improved supply, in particular with regard to outerwear, knitted outerwear, working and vocational clothes, and shoes.

In 1988, the glass and ceramics industry has to increase its contribution to supplying high-quality domestic raw materials to industry. The supply of glass and ceramics products to the population is to be further improved through increasing variety, quality, and good design.

More Supply of the "1,000 Little Things" [subhead]

Within the framework of the planned 6.8-percent increase in net production, the combines of the bezirk-administered industry are to provide—in line with demand—technical consumer goods for household and garden that are in particular demand, the ranges of the "1,000 little things," as well as spare parts and accessories for supply to the population. Raising the production of furniture is a task that is particularly important both for meeting the demands of the GDR people and for export. Modern, attractive, and comfortable furniture of the best quality—this is a direct contribution to the housing program. The Council of Ministers is convinced that in 1988 the working people in the furniture combines will tackle this task with all their strength.

Quality Work Has Always Been Honor and Obligation for All Construction Workers [subhead]

The 1988 national economic plan gives high responsibility to those working in the construction sector for safeguarding the fulfillment of the construction tasks to further develop the national economy's material-technical basis and to implement the housing program as the core of the SED's social policy. In order to strengthen the capacity of industrial construction, the Council of Ministers has decided on the necessary stipulations. It has set the task of improving the quality of all work to prepare and carry out industrial building so that all planned projects are handed over within the shortest possible period, at the lowest possible costs, and with the planned service values.

Fulfilling the plan and stimulating the performance of the industrial building combines is to be linked even more closely with craft- and object-specific [gewerke-und objektgerecht] implementation of the projects in line with the concluded contracts. Success essentially depends on how one is able to make the entire process from design, technical preparation, and transportation of building material and technology to the application of modern building and assembly techniques more economical and to fully utilize working time. Above all, top quality work must always be an honor and an obligation for all construction workers in our country.

The Yardstick Is What Best Serves the Satisfaction of Housing Needs [subhead]

Cleanliness, safety, orderly storage, and most economical use of material must become a quality mark of all building sites that is visible to everyone. The comprehensive nature of housing construction is to be ensured by simultaneous completion of community facilities in the residential areas while guaranteeing high quality and strictly observing the state norm targets for input. In this connection, new construction, renovation, modernization, and maintenance of valuable building stock are to be even more effectively linked into a single whole. The yardstick for this is what best satisfies the citizens' housing needs. Planners and construction engineers, architects, and economists have to form an even more productive alliance for this purpose.

While safeguarding high demands on design, the extensive means allocated in 1988 to the construction of dwellings and public buildings and facilities have to be used in an economical way and any excessive expenditures are to be avoided.

All strength is to be concentrated in particular on such regional focal points where the citizens' housing conditions have to be improved most quickly. The bezirk and kreis councils have particularly high responsibility for this.

In accordance with the increasing requirements of passenger and goods transportation, the transportation sector has to further raise its performance in 1988. Great efforts have to be made in this respect by the working people of the railroads. The smooth functioning of the economic reproduction process decisively depends on their work. Next year the electrification of the railroad tracks will be continued according to plan in line with the targets of the 1986-90 5-year plan. At the same time, considerable expenditures are envisaged by the plan to stabilize the trackage and to remove restrictions that impair speedy transportation.

Through strict observance of loading and unloading periods, continuous use of the space available for transportation on all days of the week, the safeguarding of high utilization of the facilities, and careful handing of these facilities, as well as through providing support to the German railroads in car repairs, all sectors have to make an important contribution to fulfilling the national economic tasks of the transportation sector.

Rationalization of Transportation Following the Neuruppin Example [subhead]

Important reserves are to be tapped by rationalizing transportation in the regions. An example for this is set by Neuruppin Kreis. Under the leadership of the kreis council, socialist team work is directed at realizing economically justified transportation at a high level, punctually, to the full extent, and with low costs, with the facilities for transportation, loading, unloading, and maintenance available in the regional enterprises and by integrating all means of transport. The Council of Ministers has made available these experiences to all state organs for widespread generalization.

Improving the citizens' working and living conditions also includes further expansion of passenger transportation. This particularly applies to student and commuter traffic. Punctuality with regard to schedules, clean railroad cars, order and cleanliness at the train stations and in the Mitropa [Central European Dining and Sleeping

Car Corporation] facilities—all this directly serves the satisfaction of the citizens' needs and can always be ensured without large investments.

Esteemed Deputies: Proceeding from the 13th Peasants Congress of the GDR, in 1988, too, agriculture, forestry, and the foodstuffs industry has to ensure at a high level a stable supply of high-quality food to the population and of raw materials to industry.

Further progress in raising yields and performances, labor productivity, and efficiency are to be reached by better exploiting the natural resources and biological factors, and unit input is to be reduced.

Intensification of Crop Production Is the Focal Point [subhead]

Priority intensification of crop production continues to be the focal point. For 1988 the target has been set to reach a total yield of at least 30.6 million tonnes of grain equivalent units, including at least 11.4 million tonnes of grain. This requires the comprehensive application of all factors that especially influence the results, the increase of yields with regard to every strain and at every location, and the further reduction of risks due to weather conditions. The tested work with plot-related maximum yield concepts is to be continued even more effectively.

In order to further improve supplies to the population, state procurement of vegetables is to be raised to 1,540,000 tonnes and that of fruit to 772,000 tonnes. The resolutions passed by the Council of Ministers for raising fruit and vegetable procurement and for generalizing the best experiences in management and organization of supply with fresh goods in the region by the local councils are to be consistently implemented.

In livestock production, the planned growth on the basis of domestic fodder is to be reached through performance increases per animal with equal stocks.

Proceeding from the experiences of advanced LPG's and state farms, the work with animal-shed-related maximum yield concepts is to be made even more effectively the center of management work. The forces of the veterinary sector are to be integrated more strongly into the management, planning, and organization of livestock production.

In the cooperatives and state-owned farms, as well as in the local state organs, the rising tasks require a high standard of management and planning. The measures decided to perfect management and planning in socialist agriculture in connection with the increasingly broader development of cooperative democracy have had great influence on the promotion of performance and have stood their test in the everyday work of the cooperative peasants and other working people in agriculture. They are to be consistently applied everywhere.

Greater attention is to be paid to the cooperative councils more effectively fulfilling the tasks of economic management assigned to them by the LPG's and state farms.

The work of the LPG's and state farms and the initiatives of the members of the Peasants' Mutual Aid Association and of the Union of Small Gardeners, Settlers, and Small Livestock Breeders is of particular importance with regard to establishing attractive and productive villages. Individual production has its firm place in this respect as a valuable and necessary supplement to social production and is also to be universally promoted in the future.

In the foodstuffs industry it is particularly necessary to process and highly refine agricultural raw materials with even greater efficiency. By implementing corresponding decisions of the Council of Ministers, the material-technical basis of the foodstuffs industry will be further strengthened next year. For this purpose, we expect increased efforts by the combines and enterprises of machine building for the foodstuffs industry, and also by in-house production of rationalization means in the foodstuffs industry itself. Particular attention has to be paid by the responsible ministries and the local councils to the meat industry in order to make the entire chain from slaughtering to cooling and storage more effective and at the same time, to gradually further improve the working conditions of the working people in this branch.

Considerable Means for the Protection of the Natural Environment [subhead]

In 1988 considerable means will be provided for the protection of the natural environment. They are to be used with great efficiency to reduce environmental pollution and to utilize raw materials and natural resources in a more economical way.

In this connection, the development and introduction of low-waste and waste-free production methods, up to closed material cycles, form a focal point. Greater efforts will be made for waste-gas desulfurization and for the reduction of the emission of nitrogen oxides and hydrocarbons.

The conditions for a stable and high-quality drinking water supply to the population will be further improved by increasing water works facilities according to plan. Facilities of water purification plants will be purposefully expanded with the planned measures for the development of waste-water disposal and treatment. Great efforts are necessary to hook up the households of another 227,000 citizens to the central drinking water network and to thus increase the proportion of hook-ups to 94 percent. Equal attention is to be paid to hooking up further households to central waste-water disposal and treatment facilities.

The withdrawal of water from the public network by industry for production purposes which do not require drinking-water quality is to be further reduced. This year, comprehensive programs for water management up to the year 1990 were decided on by the kreis assemblies. The measures contained in these programs for the economical use of water and the protection of surface waters in 1988 have to be implemented without any restrictions.

Our Planned Economy Guarantees That Scientific Progress Also Is Social Progress for Society [subhead]

The posts and telecommunications sector is charged with further raising the level of the services to the population and the national economy through comprehensive intensification and modernization as well as through higher utilization of the available facilities. Above all, it is to be ensured that the increasing demands on postal services are better met by improving the citizens' housing conditions.

Esteemed Deputies: It corresponds to the humanistic nature of socialism that the results from science and technology, from increasing economic efficiency, and productivity benefit all citizens. Socialist planned economy guarantees that scientific progress also is social progress for society.

In 1988 Better Housing Conditions for 630,000 Citizens [subhead]

Consistently continuing the main task, the 1988 national economic plan envisages the further improvement of the citizens' working and living conditions in accordance with the rising economic capacity. Next year, too, the housing program for solving the housing question as a social problem by 1990 will be the center point. In 1988 211,462 apartments will be newly constructed or modernized. Thus, housing for about 630,000 citizens will further improve.

The plan poses increasing tasks to the enterprises of the kreis-administered construction sector, whose performances are to be especially directed at the maintenance of apartment houses and apartments. At the same time, the citizens' initiatives in the "Join In!" competition and their active participation in cooperative housing construction are to be promoted even better by the local state organs.

The Council of Ministers has instructed the State Planning Commission to work out—together with the responsible ministries—proposals to increase municipal services and to gradually expand the material-technical basis in this area.

Utmost attention is to be paid by the managers to improving the working and living conditions of the working people in the enterprises, cooperatives, and institutions. We know that very often it is the so-called small things that lead to hardships and anger. It must be the self-evident duty of every responsible person to eliminate them quickly and unbureaucratically. For this purpose, the close and comradely cooperation with the trade union leaderships and other social organizations is to be further deepened.

On the basis of the latest insights of scientific organization of labor, 293,000 workplaces will be restructured or newly established in 1988, and further work hardships will be eliminated for about 120,000 working people.

It is envisaged to raise net money income of the population by 4 percent in accordance with the national economy's increasing capacity and the rising labor productivity. This development of income is to be linked with the consistent application of the socialist performance principle everywhere. The introduction of bonus payments will be continued according to plan.

Tested Policy of Stable Prices for Rents, Basic Consumer Goods, Fees and Services [subhead]

The 1988 national economic plan is based on an increase in retail trade turnover by 4 percent. The responsible ministers are instructed to provide the corresponding commodity fund for this, which is to better and better meet the demands of the citizens both with regard to its structure and quality. Particular attention is always to be paid to stable supplies of basic consumer goods, products for children, and the ranges of the "1,000 little things."

The offer of industrial commodities, in particular with regard to clothing, including youth fashion, to technical products for households and do-it-yourself hobbyists, entertainment electronics, and goods for housing and leisure time, will experience an above-average increase in 1988. In this connection, the development and production of products that are in particularly high demand are to be ensured. We will consistently continue the tested policy of stable consumer prices for basic consumer goods, rents, fees, and services.

Raising the Capacity of Domestic Trade and Its Standard [subhead]

The Council of Ministers has issued stipulations aimed at accelerating the development of consumer goods that are in high demand by the population on the basis of joint assortment concepts by production and trade and at making the contractual relations between the two partners more purposeful in the interest of the customers. Further improvement of supplies must go hand in hand with raising the capacity of domestic trade and its standard.

Public services and repairs are to be further expanded—from the qualitative and variety viewpoint that is in keeping with the public requirements—in line with

demands for raising the capacity of the state-owned service units and by promoting cooperative and private handicrafts; waiting times are to be further shortened.

Esteemed Deputies: The 1988 national economic plan purposefully further improves the material conditions for implementing the policy of the SED and the socialist state as well as in all other social fields. Next year, too, increasing performances in the fields of education, training, and health and social care will effectively contribute to the further development of the socialist way of life and will promote the overall development of socialist personalities.

Only Socialism Is Able To Realize the Ideals of Humanism for All People [subhead]

This once again clearly shows to all the world: Only socialism is able to realize the ideals of humanism for all people.

In the nonmaterial sphere, too, it is a basic concern of the 1988 plan to use the considerable material and financial means, which have increased in comparison with 1987, with utmost economic and social effectiveness.

The material conditions for the work of the artists and cultural workers in the GDR will be further improved. In particular with the realistic and progressive depiction of the struggles of our time they are making a great contribution to developing and deepening the values of socialism and to a beautiful and meaningful life for all citizens.

Esteemed Deputies: It is becoming increasingly clear that comprehensive, far-sighted, achievement-oriented, and specified management, which is guided by the experiences and needs of the working people, is the key to rising production results and increasing efficiency. The ministries and the central and local state organs are instructed to further improve the quality and effectiveness of their work in this respect, proceeding from the increasing tasks set down in the 1988 plan.

Integration of Citizens Contains Great Social Potential [subhead]

Actively integrating the working people and all citizens into the affairs of the enterprises, the residential area, the school, public order and security, and many other tasks contains a great social potential which has to be used more and more effectively for the overall strengthening of the GDR and the welfare of its citizens.

Leadership activity has to be further perfected especially in the following direction:

First, the planned proportionate development of all branches and sectors is to be ensured at all times from the viewpoint of the entire state. This is the prerequisite for comprehensively mastering the national economic reproduction process and for accelerating the cycle of intensively expanded reproduction as a whole. On this basis, cooperation relations have to be made stable and all contracts are to be strictly observed.

Second, state and plan discipline is to be steadily further consolidated and window-dressing is to be stopped everywhere. The plan must be the law for action at all levels of management. Full observance of the managers' personal responsibility for the absolute fulfillment of the plan tasks assigned to them and for the mobilization of all available reserves is to be consistently enforced. Our old slogan "Everything for the people, everything with the people, everything through the people" is gaining increasing importance.

Performances of the Best Workers Are Yardsticks for All [subhead]

Third, the binding generalization of best experiences and results in plan fulfillment is to be accorded much greater importance in everyday work in the entire sphere of responsibility as the main contents of management work. This applies to the ministers in the same way as to the directors general and the directors of enterprises, to the chairmen of the bezirk and kreis councils, and to all leaders and managers in state and economy.

The work style in the ministries and in the State Planning Commission has to be characterized more than in the past by studying best achievements on site and making them the yardstick for all. The principle of "Exchange of experiences is the cheapest investment" has lost nothing of its topicality.

Fourth, it is necessary to better and better master the unity of high productivity increase and demand-oriented supply of products for the GDR and export while reducing costs and observing all concluded contracts. Decisive foundations are to be created for this by fully supporting the state targets of all positions with enterprise plans. With this the combines and enterprises receive clear tasks for their contribution to fulfilling the targets of the entire national economy.

Next year, further steps will be implemented in 16 combines at first to achieve full self-financing. This is an important contribution to further developing the responsibility of the state-owned combines, which corresponds to their place in the socialist planned economy. The Council of Ministers expects these combines to make a particularly high contribution to fulfilling the 1988 national economic plan by purposefully utilizing the opportunities provided for them and, at the same time, to gain valuable experiences for the perfection of management and planning.

Unified Actions of All State Organs [subhead]

Esteemed Deputies: The draft of the 1988 national economic plan submitted for approval is a demanding program for unified action of all central and local state organs, combines, enterprises, cooperatives, and institutions on our main battlefield, the unity of economic and social policy.

Its high targets require imaginative and dedicated work by all working people. In this we rely on the mass initiative of all social forces united in the National Front. We are certain that this broad popular movement will gain a new and important impetus in accordance with our basic concern, that is, to do everything for the welfare of the people and for the safeguarding of peace.

I ask you, esteemed deputies, to approve the law on the 1988 national economic plan.

1988 State Budget

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["Law on the State Budget Plan for 1988 of 18 December 1987"]

[Text] In keeping with the 1988 National Economic Plan the GDR People's Chamber adopts the following law on the state budget plan for 1988:

Section One

The revenues and expenditures of the state, of the GDR state budget plan, and the funds from profits of the state-owned combines and enterprises are confirmed as follows:

	Revenues and expenditures of the state	State budget plan	Funds of state-owned combines and enterprises
	—in millions of marks—		
revenues	291,180.4	266,809.4	24,371.0
expenditures	291,005.4	266,634.4	24,371.0
surplus of revenues over expenditures in 1988	175.0	175.0	

Section Two

Itemization according to sectors of important revenues and expenditures of the state budget

	Revenues	Expenditures Surplus (plus)	Subsidies(-)
		—in millions of marks—	
People's Chamber	—	12	-12
State Council	—	18	-18
Council of Ministers	36	152	-116
Central and local state apparatus	360	4,455	-4,095
Coal and energy	14,027	5,842	plus 8,185
Ore mining, metallurgy, and potassium	13,309	6,005	plus 7,304
Chemical industry	23,011	5,225	plus 17,786
Electrical engineering and electronics	15,376	5,202	plus 10,174
Heavy machinery and installation construction	7,939	208	plus 7,731
Machine tool and processing machinery construction	5,068	524	plus 4,544
General engineering, agricultural machinery, and vehicle building	9,181	1,843	plus 7,338
Light industry	10,007	1,724	plus 8,283
Glass and ceramics	4,074	320	plus 3,754
Geology	2,570	641	plus 1,929
Bezirk-administered industry and food industry	21,953	1,623	plus 20,330
Construction	11,978	1,062	plus 10,916
Transportation	12,915	9,476	plus 3,439
Posts and telecommunications	1,035	81	plus 954
Water management	2,663	1,881	plus 782
Agriculture and foodstuffs industry, including cooperatives	13,883	10,345	plus 3,538
Forestry	988	229	plus 759
Domestic consumer goods trade	4,813	617	plus 4,196
Academy of Sciences	811	1,244	-433
Housing	—	16,326	-16,326
Measures to ensure stable prices for the population	—	49,483	-49,483
Education	396	10,389	-9,993
University and technical school sector	256	3,660	-3,404
Vocational training	9	1,158	-1,149
Health and social sector	9,246	17,153	-7,907
Social security	18,733	35,934	-17,201
Culture	935	2,789	-1,854
Sports	130	1,031	-901
Recreation services	116	558	-442

	Revenues	Expenditures	Subsidies(-)
		Surplus (plus)	
		—in millions of marks—	
Youth	348	716	-368
Television	471	622	-151
Radio	129	292	-163
Communal measures and services	127	1,019	-892
Foreign policy tasks	98	408	-310
National defense	—	15,654	-15,654
Public security and securing the state borders	—	5,993	-5,993
Payments by banks	9,300	—	plus 9,300
Taxes and duties	20,589	—	plus 20,589

Main Items of Revenues and Expenditures of the State Budget [subhead]

Section Three

State-owned combines and enterprises

(1) On the basis of the further increase according to the plan of the national economy's capacity and its efficiency through comprehensive intensification, a total of M198,741 million has to be paid to the state budget by the state-owned combines and enterprises (without agriculture, forestry, and foodstuffs industry). (2) For the further development of the material-technical basis and for the promotion of intensification, the state-owned combines and enterprises (without agriculture, forestry, and foodstuffs industry) have to be provided with a total of M83,647 million from the state budget in addition to self-earned funds in order to finance scientific-technological tasks, investment projects, product-related price subsidies for producer goods, and for other production-promoting measures.

Section Four

State-owned enterprises and socialist cooperatives of agriculture and the foodstuffs industry

(1) In line with the planned targets for performance and efficiency, the state-owned enterprises of agriculture and the foodstuffs industry, as well as the socialist cooperatives of agriculture and their cooperative facilities have to pay M13,883 million to the budget.

(2) In continuation of the tested alliance policy, the state-owned enterprises and the socialist cooperatives and their cooperative facilities will be provided with M10,345 million from the budget to promote production. Subsidies will include funds for:

	—in millions of marks—
Scientific-technological measures	450
Investments	390
Subsidies for agriculture, in particular for amelioration and measures of scientific-technological progress	557
Location-related grants, refunds of interest losses, and other production-promoting measures in agriculture	1,194
Price subsidies for producer goods for agricultural enterprises	3,656

Section Five

Artisans' production cooperatives and other socialist cooperatives, as well as private craftsmen and small businessmen

(1) On the basis of rising performance, in particular concerning services for the population, and the further increase of efficiency, the artisans' production cooperatives and the other socialist cooperatives, as well as the private craftsmen and small businessmen have to pay M9,051 million of taxes and duties to the state budget:

	—in millions of marks—
Artisans' production cooperatives	2,857
Consumer cooperatives	2,081
Private craftsmen and small businessmen	4,113

(2) In order to promote and intensify the performance of the cooperative and private crafts, as well as of private retail traders, innkeepers, and other small businessmen, M230 million will be supplied by the state budget within the framework of financial allowances decided for the improvement of repairs, services, and supplies to the population.

Section Six

Taxes of the population

In line with their increasing income, the citizens contribute M11,538 million to financing the tasks of the entire society. This includes:

	—in millions of marks—
Revenues from payroll tax of workers and employees	9,930
Motor vehicle tax	544
Municipal taxes, especially property tax	396
Other taxes, in particular from freelance jobs, inheritance, and acquisition of real estate	668

Section Seven

Budget expenditures for sociopolitical tasks

In implementing the decisions of the 11th SED Congress on the consistent continuation of the main task in its unity of economic and social policy, the means necessary for the measures decided to implement the housing program and the sociocultural tasks are set down as follows, in line with the increase in performance and efficiency:

1. A total of M30,535 million is provided for the further implementation according to the plan of the approved housing program. These funds will be used for:

	—in millions of marks—
Comprehensive construction of new houses, including new construction of institutions for education and care which includes M3,820 from the state budget;	9,550
Construction of private homes	1,142
Modernization of apartments in order to raise housing quality which includes M630 million from the state budget	2,053
Building repairs on housing stock which includes M3,640 million from the state budget	6,577
Expenditures for heat, hot water, and energy supply, for waste disposal, plants, and other housing management expenditures which includes M4,373 million from the state budget	7,350
Interests and paying back of investment loans from the state budget for new housing construction	3,863

Financing is provided from:

	—in millions of marks—
The state budget	16,326
Loans	7,549
Means of the combines and enterprises for the housing sector, in particular for company-owned housing	706
Enterprises' own means	5,954
among them:	
rents of the VEB's in the housing sector and the socialist housing construction cooperatives	2,591
means of private house owners including rents	2,261
means of the socialist housing construction cooperatives	860
means of those who build private homes for themselves	242

2. A total of M49,483 million will be provided from the state budget for price subsidies to ensure stable prices of basic consumer goods, tariffs, and services for the population, including:

	—in millions of marks—
Food	31,899
Industrial goods for the population	11,673
Fees in long-distance and short-distance passenger transportation	4,952
Drinking water and fees for waste water treatment	484
Repairs and services	475

The following was set down for the training and education of the young people and for further qualification of adults:

	—in millions of marks—	
	Revenues	Expenditures
—Public education	396	10,389
in particular for:		
10-grade polytechnic secondary schools, expanded secondary schools, and secondary boarding schools, special schools, and schools for mentally handicapped children		5,378
Paying back of costs for room and board by the parents	110	
Revenues from services	16	
Teaching and study devices, as well as toys and materials for use by children of preschool age and pupils in school hostels		208
Transportation of pupils		139
Kindergartens and combined institutions [Kinderkombinationen]		1,728
Meals for pupils in general educational schools and meals for children in preschool institutions		1,025
Payment of parents' shares for pupils' and children's meals	270	
Institutions directly subordinate to central state organs and central measures, such as homes for children of citizens working abroad, pioneer palaces, central advanced training courses for teachers		58
Investments for the new construction and modernization of secondary schools, children's institutions, and other public education facilities		997

In addition to the expenditures of the state budget, a total of M715 million from the means of the combines and enterprises is used for children's care, in particular for kindergartens and children's vacation camps.

	—in millions of marks— Revenues	Expenditures
—University and technical school sector	256	3,660
in particular for:		
Universities and colleges		1,293
Engineers' and technical schools		475
Grants		688
Boarding schools		184
Paying back of students' shares in costs for room and board	148	
Other revenues in the university and technical school sector	108	
Science and technology	291	
Investments for new construction and modernization of facilities of the university and technical school sector		386
—Vocational training	9	1,158
in particular for:		
Enterprise vocational schools and enterprise hostels for apprentices		840
Communal vocational schools and hostels for apprentices		218
Investments for the modernization and reconstruction of vocational training facilities		25
—Institutions for adult qualification	43	148

4. For medical and social care for the citizens the following is being set down:

	—in millions of marks— Revenues	Expenditures
—Health and social sector	9,246	17,153
in particular for:		
Hospitals and polyclinics, outpatient clinics, and doctors' offices		7,035
Medical sector in the university and technical schools sector, such as the Charite Institute and the medical academies, as well as medical services in the hospitals of the Academy of Sciences		1,101
Quick medical help and ambulances		221
Nurseries and combined institutions		1,366
Payment of parents' contributions to the care for babies in nurseries	60	
State children's allowances and birth allowances		3,445
Homes for the elderly and nursing homes		1,034
Payments of the citizens for room and board in homes for the elderly and nursing homes	133	
Subsidies for organizations, such as the GDR Red Cross, People's Solidarity, Association of the Blind and Weak-Sighted		75
Science and technology		89
Investments for the new construction and modernization of hospitals, polyclinics, outpatient clinics, and other facilities of the health and social sector		1,015
Revenues from payments for services of the state health institutions by the social insurance	7,452	
In addition to the expenditures from the state budget, M312 million were provided for health and social care of the working people from the means of combines and enterprises		
—Social insurance		
in total	18,733	35,934
The subsidies from the state budget thus amount to a total of M17,201 million, which comprises:		
Subsidies for social insurance of workers and employees and of the members of the socialist production cooperatives and the other working strata of M16,219 million;		
Subsidies for services for the care of elderly honorary pensions, and pensions from voluntary pension insurance of M982 million;		
Important revenues and expenditures of social insurance:		
Revenues from fees paid by enterprises, state organs and institutions, and cooperatives	10,448	
Revenues from fees paid by the working people	8,285	
Expenditures for:		
Pensions		17,156
Free medical care for the citizens on the basis of a social insurance system		7,452
Sick pay	4,556	
Pregnancy and maternity allowances	895	
Subsidies to mothers for paid vacations during maternity leave	770	
Subsidies to mothers for paid vacations for the care of sick children		533
Pharmaceuticals		3,171
Medication and medical aids		392
Subsidies to denominational institutions for medical services		245

	—in millions of marks— Revenues	Expenditures
Further expenditures for health and social care, such as payment of hospital services by the Academy of Sciences, funeral allowances, transportation costs for patients taking a cure	556	
Administrative expenditures of social insurance		137

5. To meet intellectual-cultural needs, for recreation, and for sports activities by the population, the following has been set down:

	—in millions of marks— Revenues	Expenditures
—Culture	935	2,789
including:		
Financing of cultural institutions and measures, such as theaters, cinemas, orchestras, variety, theatre, FDJ youth clubs		2,513
Subsidies for social organizations, such as the GDR Cultural League, Urania, the GDR Writers Association, the GDR Graphic Artists Association		69
Investments for the new construction and modernization of cultural facilities		170
Entry fees for attending cultural events and revenues from the sale of publications and other goods	612	
Cultural enterprises	323	36
In addition to the expenditures from the state budget, M605 million will be used from the means of the combines and enterprises for the facilities of cultural care for the working people, in particular for culture houses and clubs		
—Sports	130	1,031
of that:		
Maintenance of sports facilities, such as stadiums, sports-grounds, gymnasiums and indoor swimming pools		575
Subsidies for the GDR Gymnastics and Sports Federation		343
Entry fees and revenues from services	130	
Investments for sports facilities		113
In addition to the expenditures from the state budget, M105 million from the means of combines and enterprises will be used for the working people's sports activities.		
—Recreation services and holiday program	116	558
of that:		
Subsidies for the FDGB holiday program		278
Local recreation facilities, such as camping grounds and swimming pools		236
Investments for the modernization and reconstruction of local recreation facilities		35
In addition to the expenditures from the state budget, M1,021 million from the means of combines and enterprises, as well as of state organs and institutions, will be used for recreation facilities and the working people's vacations.		
—Youth facilities, including youth tourism	348	716
of that:		
Youth hostels, young tourists' hotels, and youth recreation centers	59	140
Domestic and foreign youth tourism	258	381
In addition to the expenditures from the state budget, M95 million from the means of combines and enterprises will be used to finance the young people's leisure time activities.		

6. In order to promote young married couples, the state budget is to provide M247 million for the remission of loans to young married couples, including the remission of interests.

Approval of Individual Budgets [subhead]

Section Eight

The central budget plant is approved as follows:

Revenues	M212,728.4 million
Expenditures	M212,553.4 million

Section Nine

The budgets of social insurance as an independent component part of the state budget within the central budget are approved as follows:

	Workers and employees	Members of the socialist production cooperatives and other working strata
	—in millions of marks—	
Revenues	16,424.0	1,996.0
Expenditures	30,782.4	3,856.2
Subsidies from the state budget	14,358.4	1,860.2

Section Ten

(1) The budgets of the GDR capital of Berlin and of the bezirke are approved as follows:

	Revenues and expenditures	Of that: Share in total revenues of state budget	Cash balance on 1 January 1988 and 31 December 1988
	—in millions of marks—		
Berlin	7,093.6	4,137.3	43.0
Cottbus	2,924.7	1,069.5	16.0
Dresden	5,005.0	1,587.4	36.0
Erfurt	3,785.1	1,160.6	24.0
Frankfurt (Oder)	2,458.7	1,093.3	13.0
Gera	2,318.8	853.2	16.0
Halle	5,024.4	1,692.7	33.0
Karl-Marx-Stadt	5,080.7	1,802.6	33.0
Leipzig	4,189.3	1,335.4	27.0
Magdeburg	3,983.5	923.4	27.0
Neubrandenburg	2,171.3	611.7	19.0
Potsdam	3,295.6	861.5	24.0
Rostock	3,075.1	1,263.0	22.0
Schwerin	1,985.8	383.9	16.0
Suhl	1,689.4	763.3	11.0
Total	54,081.0	19,520.8	360.0

(2) The local people's representative bodies and their councils finance the planned expenditures from:

—Remittances from the subordinate combines and enterprises;

—Taxes and duties (without payroll tax);

—Other self-earned revenues of the councils and their subordinate institutions;

—The shares in the overall revenues of the state budget.

(3) The funds of the local people's representative bodies and additional revenues in line with the legal provisions are available to the local people's representative bodies in order to ensure the financing of socially useful initiatives for the comprehensive fulfillment of the plan and for its purposeful overfulfillment, the shaping of social life, and the further improvement of the citizens' housing, working and living conditions.

Final Provisions [subhead]

Section Eleven

In accordance with Section Four of the law of 13 December 1986 on the GDR state budget regime (Law Register Volume one, No. 23, p 383), the Council of Ministers decides on amendments to the 1988 state budget required for the implementation of the plans. The surplus of revenues over expenditures stipulated in Section One must not be changed.

Section Twelve

The minister of finance issues implementation provisions.

Section Thirteen:

(1) This law goes into effect on 1 January 1988.

(2) At the same time the law of 27 November 1986 on the 1987 state budget plan (Law Register Volume one, No. 36, p 471) is rescinded.

Marjai Submits Budget Bill to Assembly

AU261731 Budapest MAGYAR HIRLAP in Hungarian 17 Dec 1987 p 5-7

[Speech by Jozsef Marjai, deputy chairman of the Council of Ministers, at the National Assembly session in the Parliament in Budapest on 16 December: "Jozsef Marjai—Preservation of the Balance Is Our Vital Interest"]

[Text] Esteemed National Assembly!

On behalf of the MSZMP Central Committee and the Council of Ministers, I am submitting the draft budget bill for 1988 and the supplementary modifications mentioned by Comrade Medgyessi to the approval of the esteemed deputies.

Starting from the situation in the people's economy and the foreign conditions that can be expected, and considering the figures it contains, next year's plan and the budget that is based on this plan prescribes modest development, but quite increased tasks and qualitative changes. Within the given circumstances, the plan took realistic possibilities into consideration and, relying on the favorable features of the development in 1987, its decisive aim is to make us proceed on the road to stabilization.

We are aware of the fact that only by improving our work, establishing harmony between the goals and the means of the plan, increasing the consistency of the governmental work, and mainly by more efficient economic management of the economic units will it be possible to fulfill our tasks. Comrade Medgyessy spoke in detail about the development, results, and difficulties of 1987 and about next year's tasks. In my speech, allow me, therefore, to deal primarily with the foreign and domestic balance conditions necessary for the implementation of next year's plan and with the most important tasks of the government.

Every government has a fundamental obligation to make continuous efforts to favorably shape the foreign conditions required for the functioning of the economy so that the country will be able to participate, according to its interests, goals, and natural potentials, in the international division of labor as advantageously as possible. Comrade Grosz also spoke about our activities in 1987. Our increasing and more efficient participation in the international division of labor and the establishment of the widest possible economic relations on the basis of mutual advantages with countries that are ready to cooperate with us have become an important condition of our progress, even more important than before. Socialist integration, and primarily our cooperation with the Soviet Union, are our natural medium and basis for all our activities of this nature. This is one of the important pillars necessary to implement our plans and strengthen our international economic position.

New Requirements in CEMA [subhead]

In the present 5-year period that goes until 1990, we have effective trade and cooperation agreements with the socialist countries on the interstate and enterprise levels. These agreements delimit the possibilities and also the functional system of the relations, a fact that we have to take into consideration. Similar to our partners, our needs have changed and are changing according to the real processes of the economy; new requirements emerge and old ones disappear; and new realizations emerge, realizations that could not be included in the agreements concluded at the beginning of the plan period. Changes amounting to turning points have occurred in several socialist countries.

Thus, our task can be summerized like this: In our relations, we should preserve everything that currently also serves the cause of our development; but, in the coming 3 years we should fully exploit the objective economic potentials of our countries and the scope of our agreements by advancing the qualitative factors our cooperation to the fore, modernizing the mechanisms of this cooperation, and widening the turnover between our countries. Domestic management should help our cooperation with the socialist countries to strengthen favorable domestic economic processes and contribute to the implementation of our goals aimed at reorganization and decrease of our expenditures. We have shaped next year's regulators according to this principle.

Unlike the two previous 5-year periods, and on the basis of the pricing policy in effect within the framework of CEMA, the terms of trade in our trade accounted in rubles are now changing in our favor. A quantitative change in our mutual exchange of goods is essential for the maintenance of the balance of payment in the present situation. We must reach an agreement to this effect with our partners. Since our capacity to export is determined by our imports, within the present situation it is not possible for us to expand our ruble accounted exports in 1988. In order to ensure balance, primarily government organs, our foreign trade apparatus, and the enterprises should act without loss of time, expediently, dynamically, and with great flexibility in order to increase the imports of products that we need.

This is a continuous, everyday, and year-round task that is essential for our domestic stabilization. The forced lag in exports should be also used to partially reduce inefficient production, but primarily to make use of the production capacities thus becoming unoccupied to efficiently produce goods that will satisfy well-paid market demand; this should also contribute to strengthening our foreign and domestic balance.

As regards the prospects of our cooperation, we actively work together with our partner countries on further developing socialist economic integration in modernizing the CEMA mechanism and in the qualitative renewal of the bilateral economic relations. We foresee great prospects for really widening direct enterprise cooperation and increasing the number of joint enterprises—

here a revolutionary increase is required—and we are also promoting the further development of the monetary, financial, and credit system of socialist integration by practical suggestions. We are adjusting our foreign economic system to this and we are establishing trade forms that adjust better to the peculiarities of this integration. We proposed to renew the system and the means of our bilateral cooperation with the Soviet Union and individual CEMA member countries even prior to the further development of the functional organization of CEMA. We have also started to prepare the documents that will be the backbone of our cooperation for the period after 1990 and the coordination plan for the next 5 years. At the right time we should coordinate our ideas on technological and structural development with the development plans of the socialist international division of labor.

We believe that the intensive organization underway in the Soviet Union will have a favorable influence on further cooperation between the countries of the socialist community, which includes Hungary and the Soviet Union; cooperation of decisive importance for us. It will make possible new points of contact between our people's economies and enterprises and will in the long run enable the implementation of our economic policy goals.

Stricter Credit Conditions [subhead]

We must solve our tasks in a world economic environment that is filled with big contradictions. The restlessness of the stock exchanges signifies that the revival of the last 2-3 years has been unable to decrease the accumulated tensions, and that the flow of money in many directions has departed from the actual situation of and changes in the national economies and in world economy. The expansion of the world market is slowing down again, and the initially modest forecasts of the main world economy processes are already being corrected downward. The financial world has become cautious and credit conditions are becoming stricter.

Exaggerated protection of national markets—protectionism—is strengthening in the world. At the same time, a widespread system of specific advantages has been established; and we are not receiving any part of these advantages despite the fact that we are entitled to the status of a most-favored-nation. In every possible way and at every possible opportunity, we take a stand for the unobstructed and undiscriminating expansion of international trade because we are convinced—both generally and concerning ourselves—that not seclusion, but openness and the expansion of relations and trade serve the cause of development. The unfavorable, and in addition, uncertain foreign economic environment should have a rallying effect on us. The international economic climate is an objective fact for us; this precisely is the reason why we should adjust to it. If we have a high level at home, we will also prosper in difficult circumstances.

There are promising signs. The recent summit gives hope for developing East-West economic relations, too.

It will be easier to solve the difficulties causing world economy tensions through constructive international cooperation. At the same time, the lasting and increasing inconsistency in the world economy would be eliminated by establishing East-West relations on new foundations and qualitatively changing them. This is the urgent economic task of this period.

The international evaluation of Hungary continues, on the whole, to be positive. Our partners acknowledge and respect our policy, understand our openly discussed economic difficulties, and are interested that we ourselves should solve these problems as soon as possible in the ways and by the methods laid down in our program; that is why they expect us to improve our economic situation through quicker action and—where necessary—at the expense of rational self-restraint and temporary sacrifices.

An important Hungarian effort in the capitalist world is to stabilize and expand our economic relations with our main partners. We are in the process of negotiating a comprehensive agreement on economic and trade cooperation with the EEC, an agreement that would settle the entirety of our relations with the EEC, would put an end to the disputed issues, and would open multifaceted possibilities for mutually advantageous cooperation. We are not interested in the agreement itself, but in settling the relations constructively. We regard it as a key issue that the EEC should also accept Hungary as an equal participant in international relations on the basis of our international rights and obligations, as our other economic partners and the international economic organizations have already done.

The negotiations are being slowed down by the fact that we have to reach an agreement not only with the committee negotiating on behalf of the EEC, but according to the internal regulations of the EEC concerning decision-making and coordination, we also have to obtain the approval of all the 12 EEC countries.

The difficulty of this procedure cannot be an excuse for the EEC members not to make the political decision to treat Hungary in a non-discriminating manner. If the political will of the partners to make this decision exists—in relation to the actual content of the agreement too—then we, on our part, are willing to successfully conclude the negotiations with the EEC in a short period of time.

The neutral European countries are important and traditional economic partners of Hungary. We think we could have made much progress with them in the area of mutually eliminating trade limitations if the political decision on this issue had ripened on their part, too. It is an anachronism that the allowances and more favorable procedures extended to practically everybody else have

created a disadvantageous competition situation for us in the markets of countries with whom we have excellent and well-functioning relations in all the areas of life.

The Hungarian economy already has a stock of legal means and regulations and also the openness that make the advantages that can be derived from the freedom of international trade both real and mutual. Our exports to farther away and more developed capitalist markets have increased in recent years. Our enterprises have made use of the fact that Japan and New Zealand offer favorable customs rates to Hungarian export products by extending the so-called general system of preferences to us. Also, in the course of my talks in the United States in November I found that for the first time our turnover this year exceeded $500 million in this enormous market, a market where Hungarian goods can be sold without discrimination and where Hungarian exports have well developed. There are still many possibilities our enterprises have not explored.

The significance of our economic relations with the non-socialist world is emphasized, and our domestic performance is also realistically characterized by the fact that we are strengthening our position and are achieving success in our exports to the most demanding markets even in adverse foreign economic conditions.

Our markets in the developing countries, that are considered our traditional markets, we have to take further difficulties into account. We are trying to establish our business relations also by means of interstate relations. The government is following with attention the credit-extending activities for exports.

The heavy indebtedness of some of the developing countries, as a result of which they are also unable to pay for the imports that are significant for them, has a depressive effect on the entire world economy. The other part of the developing world, as a result of a quick and effective policy of industrialization and foreign economic expansion, have become in many respects our competitors in a (favored) trade policy situation, but at least our equals. We can also gain ground on this market; to achieve this, however, we need not only new products but also new commercial methods.

Regulation and Incentive [subhead]

The governments economic diplomacy is trying to avert obstacles and bring possibilities to the fore, but only enterprises can give international economic relations a concrete content. In 1988 we will establish a qualitatively new situation, in which, except for a narrow range of products, foreign economic activities accounted in convertible currencies will become free for every enterprise. I am convinced that this will release new forces and will have an invigorating and encouraging effect on the activities of the enterprises.

As far as the government is concerned, we will endeavor to quickly adjust the appropriate regulation and encouragement elements to the new situation. I think it is important that enterprises should obtain not only the mere possibility to conduct foreign trade directly, but also that the methods and resources of the necessary demanding market research and development work should be at their disposal, and in close relation to their exporting performance, at that; naturally, this includes also the introduction of new products into the market and the efficient conquest of new markets too. The government will also help the increasing number of foreign trade enterprises by establishing easily accessible and effective services aimed at supplying information about foreign markets, local advice, and guidance; introducing and promoting their products abroad; and exploring business relations.

An entire system of measures is required to assert the export-oriented nature of the economy and to assure that production is directed by immediate and long-term market demands. The reorganization of our entire foreign trade organization, including our official representation—into a business-centered organization is such a task.

Comrade Medgyessy has already said that in comparison to recent years, in 1987 it is possible to discern signs of revival in the economic development. I consider it worth stressing that exports accounted in convertible currencies precisely to the most demanding markets increased perceptibly. This is a noteworthy result. It is obvious that economic development has shifted in the right direction. The government's measures and efforts during 1987 were established along the outlines to be followed in the coming period; their effects are also reflected in the results. The recent and novel consultations between the government and the enterprises also show that the joint deliberation of the enterprises that are ready to be revived and the government is discernible.

An objective situation analysis also requires that, along with the favorable changes, we should also appropriately qualify the significant difficulties and concerns that accompany development and this speech also touches on this.

The facts mentioned in the speech also demonstrate that we have not yet been successful in appropriately coordinating supply and demand of money in the economy. Bank measures have been taken in order to improve the balance of the domestic financial market; their influence, however, cannot yet be considered sufficient. Extensive liquidity weakens the necessity to perform and endangers our intention to make enterprises assert themselves in more severe conditions primarily through improvement of their performance, and not through attempts to evade this by increasing prices.

It is a determined effort by the government to prevent, by the employment of a strict policy concerning the budget, support, and credits, economic units from obtaining money without performing; and at the same time to enable enterprises to make freer than hitherto use of incomes resulting from efficient work. Increasing strictness and increasing independence are not mutually exclusive, but are mutually dependent and complementary elements. Only by understanding this can we assure that the financial balance of the plan will not be upset by the processes occurring during the year and that we reach our main goal, which is to curb the increase in our debt and simultaneously improve, without adversely affecting each other, both the external and domestic balance, and market relations. This is justified not only on the basis of a limited interpretation of our economic interests, but also in order to strengthen our credibility and maintain the trust and support of others in us. In a world where almost every country is developing its capacity to keep up with the changes and the threat of lagging behind is not a mere phrase but an accomplished fact, it is particularly important for us to do what we can to avoid this.

The Tasks of Curbing Inflation [subhead]

Next year's plan and the budget focus on fundamental priorities and on the implement of the government's work plan.

The experiences of the last year prove that the financial shortages in the budget, and generally, on the level of the people economy increase either external debts or domestic inflationary pressures. We cannot afford this.

At present, the burdens of foreign debts are already creating hardly bearable conditions for the people's economy; but mainly they threaten the next generation. For this reason, and to be able to provide the economy with necessary finances, we should stop the increase in the stock of debts as soon as possible.

Above all, higher enterprise performance and more developed market conditions are required to curb inflation.

An increase in inflationary pressure is a real danger both at present and when ever there is any price or tax reform on a larger scale. The government is taking this into account and is determined to curb inflation and keep a firm hand on the 15 percent consumer price index; because any kind of spontaneous inflation would divert extra incomes to certain strata and economic factors, a fact which could counteract the government's intention.

We can control inflation only by encouraging increased savings by enterprises and the population in order to facilitate the possibility of planning the economic and social processes.

The submitted budget contains carefully designed distribution proportions that were preceeded by and established on a society-wide dialogue. The budget regards both the national income, which can be spent domestically, and the financial resources that have to be secured for the improvement of the foreign balance, as natural limitations. This is why it was necessary to plan proportional distribution and a general decrease of incomes.

Each of the established distribution proportions can be defended and justified. To have them accepted, we should assume that if performance does not increase in quantity and value, in the short term it will be possible to distribute more in one area only by reducing in another area, because we cannot afford to increase the void and accept debitory financing and advance payment for a promised performance because there is no money for this. We must be strict with ourselves and spend only on what is absolutely essential from the point of view of the present and the future, and only what we can afford.

The government has taken income reducing measures in both the area of the budget and credits; however, we cannot say that the danger of overdistribution will not threaten us next year. The income-generating process of enterprises, caused by the price increases, has accelerated this year. At present we cannot determine what income reserves are contained in the price and tax management, and we should also reckon with a quick increase in invisible incomes and in population incomes from the widest possible range of ventures.

Widening exportable production is the central task and a fundamental priority for 1988. The regulations for 1988 improve the conditions of efficiently produced exports accounted in convertible currencies and increase the price of imports a reasonable amount; the active pricing policy serves the cause of accomplishing these goals.

The changes enabling better coordination between the export and import processes can establish favorable conditions in the import economy.

We have now modernized the competitive bidding system that was launched in 1985 and that aims at developing exports. In order to ensure the success of competitive biddings, the government will secure increasing resources and at the same time also enlarge the allowances available to investors. We are supporting enterprise developments that expand the possibilities of efficient exports accounted in convertible currencies and increase the technological level of the enterprises.

We are supporting these with tax reductions, tax refunds, favorable interest rates, and supplies of funds. The key issue is that efforts aimed at technological development, structural reorganization, and the establishment of a stock of products for exports should be coordinated and, starting from market research and development premises, motivate the production of marketable goods.
Further Development of Market Relations [subhead]

Improving the balance of the domestic market, strengthening market relations, and consistently advancing economic reforms are exceptionally significant from the point of view of implementing the stabilization program and from the point of view of our evaluation of the international situation.

One of the improvements in the internal balance is the fact that the budgetary deficit projected for 1988 is considerably smaller than in 1987. A strict and consistent monetary and budget policy, supplementary savings still within reach, and reduction in subsidies are required to ensure that, despite the effects of the processes in the course of the year, this deficit does not exceed the projected level. This is a lasting trend that should be also maintained in future years, because only a longer process can result in producing real processes and, in this respect, enforce changes. We will be able to accomplish our goals by further developing our market relations, on the basis of the new tax system, in many directions. In order to invigorate economic competition, we are modernizing competitive bidding regulations. Within this, we should more efficiently follow the principle that forbids dishonest economic competition. We will have to work out the methods for action concerning monopolistic organizations and the principles of regulations protecting economic interests related to competition. This is the main subject of the new type of handling and the uniform management of commerce, contractual relations with enterprises, and of the whole sphere involving the turnover of goods.

In order to intensify competition, we are increasing the number of players active on the market. The process has started, but it is still at its beginning. The legal ammendments that make it possible for individuals and corporate bodies to establish partnerships, and also the new partnership act to be submitted to the National Assembly in 1988 serve this cause.

The opportunities for small-scale ventures will increase, and the regulations' neutrality toward competitive biddings will improve, mainly in income regulations. In the case of large- or medium-scale enterprises, attention should be paid to simultaneously modernize their organization in the course of measures taken in coordination with the developed structural policy.

Competition is increasing on the securities market, a fact that can be a competitive advantage for those who manage their business well and for good investment possibilities. We should encourage in many ways the investing of an increasing part of the population's financial means in production instead of it being occasionally squandered on consumption or frozen in accumulating property. We should give more content to the forms that are expanding for this purpose by means of economic management.

The existing legal conditions ensure that the direct intervention of the authorities in pricing should extend only to the most important raw materials, energy materials, and to determined areas of production infrastructure. Our task for 1988 is twofold: On the one hand, we should ensure that we comprehensively keep a firm hand on pricing by means of the mechanism of supervision; on the other hand, we should ensure that the authorities in charge of prices should intervene only in order to establish realistic market relations, not to hold them back.

We must guarantee the supplies of the population both in quantity and structure, and increasingly respect the independence and needs of the consumers.

We should not only widen the potential of commerce and commercial methods, but it is also necessary to improve commercial culture and human conduct. At present, it is particularly important to acknowledge commercial performance and its acceptance of responsibility. In the future we will have to make greater demands of it.

One of the important means to encourage performance is to relieve the strict restrictions on enterprise income regulations. Within this, we are aiming at implementing an enterprise expenditure management in which there will be no need for a separate central regulation of wages and incomes. We are trying to establish the conditions required for this as soon as possible.

I have to mention that a great and demanding task in 1988 is to reform planning, and to work out and prepare the implementation of important reform measures aimed at modernizing the economic system, such as a wages reform that is congruent with the tax system and the development of market relations; reorganization of the housing management; a new system of retirement; and the reform of the social security system.

In 1988, the burdens of improving the foreign balance will be mainly born by active earners; because, whereas incomes will increase only by 4-5 percent on the average, financial social allowances will increase considerably more—by over 20 percent. Strict savings should be taken in public consumption in general, and also in the areas of health affairs, education and culture.

Stabilization and development require a new stabilization and manpower policy, a policy that supports structural reorganization from the aspect of employment policy and which facilitates job-finding for workers who are in a difficult situation as a result of economic changes and elimination of loss-making enterprises. A system of retraining that adjusts to economy's requirements better, an intermediary network of information contributing to job changes, and, in general, an improvement in the conditions of manpower mobility are an important means of this new policy. These measures do have budgetary allocation, which should be used very reasonably, expediently, and very carefully.

This is not a simple issue of organizing and organization. Moving to a new enterprise or exchanging an old profession for a new one cannot be a punishment for an honestly working man. The individual and the working man is not to be blamed for the necessity of these changes. This should be explained clearly; but this is not enough for the people concerned. We should establish conditions which will make the difficulties and human concerns resulting from the changes bearable.

This requires all of us, government, social, and political organizations alike to have a deep sense of responsibility and humanity.

On the Road to Reforms in the Future, As Well [subhead]

In our long-term interests, too, we cannot avoid significantly reducing consumption and real wages in the benefit of a balanced economy. The question is, whether there will be enough incentives for work, performance, and exports. A radically new attitude is required to resolve this contradiction.

We should accept it as a fact of life that is independent of our wishes that not only increased wages, or on enterprise level the promise of profits can encourage performance; the workplace should encourage the individual; the market, the attitude of the consumer, or the threat of liquidation should encourage enterprises; and the threat of lagging behind in the international scene should encourage the country to perform more. Higher performance is at present not merely an issue of incentives and being encouraged; it is a necessity that must be acknowledged by enterprises, individuals and groups, managers and subordinates alike and transformed into action. The government's program, the economic policy for its implementation, and the modernization of the system define the direction for our thinking, creative work, and action. And there are no limits in this area! As Comrade Grosz stressed in his speech on the first item on the agenda, the government, with the full support of the MSZMP Central Committee, is working hard and consistently to implement its work program.

The MSZMP and the government have been advancing on the road of reforms since 1957. We have often encountered circumstances where we did not have the full support and understanding even of our friends. Fortunately, the present times are different, and the majority of the socialist countries are working on their own renewal and development programs. It is not only our task, but also our duty to continue on the road that is marked by a momentous and consistent implementation of the reform. This was laid down by the position taken by the MSZMP Central Committee on 2 June and also by the government work program developed on its basis.

A greater harmony than previously is emerging between our economic policy, our economic system, the developing reform, our institutional system, and ensuring personal conditions. At the present time, this is making our work easier and facilitates the implementation in the shortest possible time of the large-scale reorganization—concentrated within a relatively short time period—with as few investments and sacrifices as possible. Our economic policy is imparting a very strict economic constraint which must become an organic part of our lives. We have learned that loose management, easy earnings in the economy, and production without added value can only result in stagnation and falling behind. At the same time, our measures aimed at further developing the functional system of our economy are bringing us closer to the completion of the reform.

After a long period, the international situation in the East and West alike can help us—if we know how to make use of it—by them accepting us for what we are and what we want to become and appreciating our advancement so far.

The world will help us by appreciating the results of the 2-decade-long reform that have been achieved so far, our advancements toward the establishment of a socialist economic system that shapes market relations according to their importance, our increasingly strengthening democracy, individual and public freedom, public safety, the state of supplies to the population, the independence of the economic organs, and the widening frameworks of the citizens' and collectives' economic activities.

The world will help us by appreciating that we have acknowledged the potholes on our road and the weak points and shortcomings in our development, and that we have formulated our willingness to be changed and to change and our desire for renewal. It will help us if they show interest in our acknowledgement that we should use elements, but not isolated elements, to build our reform, and that we should establish a long-term system in politics and economics, a system that develops itself, in which the elements are built one upon the other and develop each other.

This international situation is new for us, because no one and no serious, influential international factor expects us to implement development along a road that we ourselves have not chosen. We should learn from the international experiences of the Soviet Union and socialism as they renew themselves and we should make use of the new momentum that this lends to the world.

We should not imitate, even less follow, capitalism; but we should also make a final break with practicing an ossified, bureaucratic, over-centralized form of socialism.

We should learn everything possible from the experience of the capitalist countries, and everything that can be used in our situation and is not alien to our principles or way of thinking should be adapted to our socialist conditions.

Not only is the external environment more favorable as a result of the Soviet reforms and the welcome developments in Soviet-U.S relations, but also the evaluation of Hungary abroad is better than we at home realize. We can say that, compared to similar countries and groups of countries, and despite our undeniable concerns and difficulties, we are in a better position and more advanced; and in recent decades the opportunities for our further development are based on stronger foundations than in the past. We aim to resolve the contradiction between the international respect shown for us and our domestic tensions by reaching the standards demanded by this foreign respect. Sensing and appreciating the more favorable foreign evaluation, it often seems to us as if our partners or other countries or groups of countries were more interested in the development of our own affairs—or at least in realistically evaluating them—than we ourselves are. If the necessity for more forceful action is derived from and based on this interest, and this necessity for action is accompanied by the self-respect that results from a not exaggerated, but solid, justified, and necessary self-confidence, this can eventually become a specific driving force for Hungarian development.

At present the government, enterprises, and individuals should not be concerned about what they would like and what would be desirable, but about what can be realistically achieved. The government is endeavoring to achieve maximum possible both from present and future opportunities.

Everything that the government rightfully and inevitably expects from the citizens and the people, it demand from itself and its own institutions to a much greater degree.

Council Approves 1988 Economic Plan

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[MTI: "The Hungarian People's Economy Plan for 1988"]

[Text] The Council of Ministers reviewed the expected development of the people's economy in 1987 and approved the plan for the people's economy for 1988.

The Council of Ministers concluded that, as a result of the efforts by those who manage the economy and by economic organizations, a modest improvement, and in some points a considerable improvement, can be noticed in the 1987 economic processes, compared to the tendencies of 1985-1986. However, progress in accelerating the restructuring of production and in improving the economic balance has not been satisfactory.

Following the 1985 decline and the slow increase in 1986, production and national income showed an upswing and, on the whole, increased as planned. Industrial production increased at a rate exceeding the plan. Industrial exports accounted in convertible currency increased more dynamically than production, and domestic sales of industrial products also increased. The performance of the construction industry increased, and the pace of housing construction improved. Agricultural production lagged far behind the target and was lower than in 1986, mainly due to crop losses caused by drought and frost damage to vineyards.

Domestic consumption has increased, instead of undergoing the planned slight decrease. Incomes, including earnings, have risen at a faster rate than expected. This is one reason why it became necessary to increase, through official measures, the consumer prices to a greater extent than planned. Even so, the consumption by the population increased considerably, primarily at the expense of savings. Investments in the socialist sector—primarily in enterprises and councils—considerably exceeded the planned level, and the extent of investments also increased compared to the previous year. The extent of accumulating stocks of goods was reduced, primarily as a result of the decrease in domestic trade stocks.

Exports accounted in convertible currency increased considerably; contrary to the plan, imports did not decline. The trade deficit decreased considerably but the planned surplus in small trade was not achieved. Income from tourism increased considerably. The deficit in the balance of payments became substantially smaller, but was higher than the planned figure.

In the turnover of goods accounted in rubles, both exports and imports were close to the planned levels. The terms of trade have improved. The export surplus slightly exceeded the plan. In other areas of the economic balance—for example, on the materials and goods market—the situation deteriorated tangibly.

State budget revenues rose more than planned, and its expenditures were close to the planned figure. Thus, the deficit was considerably smaller than the planned figure and than the deficit in the previous year, primarily as a result of the measures taken during the year. The financial situation of a considerable number of enterprises tangibly more favorable than was justified by their performance during the year. There has been no genuine progress in initiating procedures against insolvent enterprises.

Due to the inconsistency in economic regulations and the wide range of subsidies and allowances, the harmony between actually produced and usable incomes continued to be inadequate. The Council of Ministers approved the main goals and stipulations of the plan for the people's economy for 1988 by taking all these into consideration.

The Main Economic Policy Goals of the 1988 Plan and the Tasks of Economic Management [subhead]

The main goal of the economic work for 1988 is to begin the implementation of the MSZMP's program of economic and social development, and of the government work program for stabilization that is aimed at supporting the development program.

Economic policy and economic management should focus on improving the balance of the people's economy, accelerating the modernization of the economic structure, and increasing economic efficiency. It is necessary to conduct a selective production and distribution policy that coordinates and asserts the goals of balance and structural modernization, and which firmly subordinates other goals to the aforementioned ones.

a. The main goal in improving the economic balance is to firmly curb the increase in the stock of debts accounted in convertible currencies. The plan stipulates a convertible currency deficit of about $500 million in the current balance of payments. This requires a foreign trade surplus of about $250 million. An important requirement is that this surplus should derive from an increase in profitable exports and rational savings in imports.

The exchange of goods accounted in rubles will increase, on the basis of mutual advantages. Efforts should be made to increase imports commensurate with the solvent domestic demand; exports are planned to increase in proportion with the increase in imports, and the balance surplus is planned to be no more than R150 million.

An important goal is also to improve the domestic financial balance, entailing a considerable decrease in the state budget deficit. The harmony between material and financial processes should be guaranteed. This can be supported by a strict financial policy, a considerable reduction in state subsidies, and an overall increase in savings.

The domestic market balance must also be improved by adequate supplies and better cooperation between the manufacturing, service, and commercial enterprises.

b. Production can increase only within a structure which meets the requirements of a balance and on the basis of an increase in efficiency. Gross domestic production is planned to grow by 1-1.5 percent, the national income by 1 percent. Production restructuring also has to be accelerated, relying on the acceleration of technical development and the application of its achievements, with a resultant significant increase in profitable exports in convertible currency and a considerable saving in imports. There is a requirement to improve the international competitiveness of products and increase the capacity of produce income. Genuine progress should be achieved in curbing, reorganizing, or eliminating inefficient economic activities, including un-profitable exports, and in reducing and eliminating the subsidies and allowances provided for such activities. Liquidation procedures should be consistently applied in cases of insolvent economic units.

c. The plan stipulates a reduction in domestic consumption, particularly in the consumption of the population. The domestic use of the gross domestic product is to drop by about 1 percent, and the domestic consumption of the national income is to drop by 1.5-2 percent. The population's consumption will decrease by 2-2.5 percent, and per capita real income will decrease by 2.5-3 percent. The real value of communal consumption must not increase. The sources of efficient investment projects that improve the balance and contribute to economic development are planned to increase, mainly in the competitive activity of the processing industry and of the agricultural sector; investments in other areas will decrease.

d. The further development of the economic management system must be accelerated by increasingly adjusting it to the economic policy requirements. It is necessary to create an economic environment in which there is a lasting economic requirement for an increasing readiness to be entrepreneurial, for supply in accordance with domestic and foreign market demands, primarily increasing exports accounted in convertible currencies, and for greater generation of income. The financial balance will improve by strengthening coordination between those elements responsible for regulation, by following a strict financial and budget policy, and by means of a firm economic management attitude; domestic purchasing power can develop only within the framework stipulated by the plan.

e. The achievements of technological development must be applied in production more rapidly. In order to promote this, by modernizing the general economic environment and financing, technological development must be made into an increasingly entrepreneurial activity and incentive. The activity of banks that support innovation will increase, and these banks—by investing risk capital—will finance activities based on new technological ideas and procedure to a greater extent than hitherto. In the case of more research intensive form of economic organization, along with simultaneously increasing the burden on other units, the central contribution for technical development will decrease. The obligation of the economic organization to create a technological development fund will cease.

The Development of Production Sectors [subhead]

According to the plan, along with structural changes and in harmony with the balance requirements, industrial production will increase by 1 percent. Added value and exports accounted in convertible currency will increase by exceeding gross production.

In keeping with the sales opportunities, the production and convertible currency exports of chemical light industry goods and machine engineering goods will increase by exceeding the average. Declining exports of rolled steel, carbamide, and polypropylene will have to be substituted by the export of other more profitable goods.

The ruble-accounted exports of industrial—primarily machine industry—products are planned to increase only in proportion with the imports. The export structure must be changed—through coordination with the CEMA countries concerned—in a way that reduces subsidy-intensive exports and increases the proportion of profitable products that specifically involve a low level of convertible currency imports.

The decrease in the convertible currency imports of industrial products should be facilitated by an increase in profitable import-substituting activities, particularly involving component units and spare parts, other intermediary products, and simple consumer goods.

State organizational work will also assist the import-substituting production in better contributing to fulfilling the domestic demand; this work will promote the development of relations between potential producers and consumers.

Industrial technology will be modernized and the technical level of industrial products will also improve by means of supplementary development and the additional application of electronics in existing installations.

Modernizing the organizational structure of industrial production and marketing is to continue, particularly in the processing industry. Monopolistic conditions that hinder flexible operations within industry will gradually be eliminated. In addition to the development of larger economic organizations, the industrial and service activities of the cooperatives, small ventures, and of the private sector will also increase dynamically.

The expected development of the main industrial branches is as follows:

Coal production will probably remain at the 1987 level. Production will cease in a few inefficient, deep-working mines and at the Nograd surface mine. Mineral oil and natural gas production will be similar to this year's level. In the generation of electric power, the proportion of electric power provided by nuclear plants is to increase, and hydrocarbon-based generation of electric power will drop accordingly.

Production in metallurgy will decrease, under which there will be a decrease in production of crude iron, rough steel, and rolled articles in ferrous metallurgy; production of more highly processed goods will slightly increase.

Machine industry production is planned to increase to a greater extent than average through the dynamic expansion of non-ruble exports and of import-substituting production. There will be a considerable growth in the production of the electronics branches of industry (telecommunications and vacuum technology, and precision engineering). A Hungarian-Soviet mixed enterprise is to be set up to manufacture microelectronic components. There will be increased production and export of machine tools, vacuum technology machines, industrial robots, nuclear energy installations, chemical and food industry machines, and public road vehicles. Modernization of the organizational and production structure will be accelerated in several inefficient large-scale enterprises of the machine industry. The number of medium-sized enterprises will increase and so will the activity of small ventures that manufacture products within the background [hatter] industry.

Chemical industry production will develop by exceeding the industrial average. The amount of processed mineral oil will not increase, but the proportion of more valuable products with a higher degree of processing will increase. In chemical light industry, in accordance with the goals of the central economic development program for production of pharmaceuticals, pesticides, and intermediaries, the production of pharmaceuticals, pesticides, and synthetic and rubber industry products will increase more rapidly than the average.

As a result of advanced purchases, a decrease is expected in the demand for certain building materials products used by the population, and a slight increase in demand for other building materials is expected.

Light industry production will probably remain at the 1987 level, in accordance with demand. Production of furniture, cotton fabric, linen, hemp cloth, and shoes for export for convertible currency will increase considerably.

In order to fulfill in a profitable way the decreasing demand for construction, that is also undergoing a structural change, the most important task facing the construction industry is to adjust flexibly to the market requirements. Construction and installation activity will decrease by 3-4 percent.

It is necessary to improve the quality and efficiency of housing construction. The provision of finances, plots, and building materials for private housing construction will be updated. Unused capacities should be regrouped and inefficient activities should be eliminated; income generation should increase. The market will grow also through the dynamic increase in the activity carried out by small organizations.

In agriculture the improvement in production efficiency must be based on a decrease in expenditures and on a product structure that adjusts better to changing market requirements. Production of agricultural goods is

expected to exceed this year's figures by about 6 percent, and production of the agricultural sector as a whole is expected to exceed this year's figure by 5-5.5 percent.

In crop cultivation, through higher yields on essentially unchanged cultivation areas, wheat production of 15.5-15.7 million tonnes is to be achieved by simultaneously increasing the value of the internal content [beltartalom] of various cereals. Production of crops containing protein will increase dynamically. The improved efficiency of fodder management will enable the area cultivated with fodder plants to be reduced.

The demand for vegetables and fruit is to be fulfilled by increasing the average yield, an efficient division of labor between large-scale enterprises and small farms, and by rationally organizing the marketing of these goods. Replacement in frost-damaged vineyards and the new plantation of vineyards is planned to be carried out in accordance with the changes in foreign market demand. Potato production will increase through increasing cultivation areas and yields.

In animal husbandry the quality of the products will improve and the production of more profitable products will increase. The upper ceiling in the provision of subsidies for the export of the most unprofitable products will decrease. In connection with this, production of pigs for slaughter is planned to increase slightly. Production of slaughter cattle will increase due to the expected decrease in the stock of cattle for slaughter. Production of poultry will increase, depending on export profitability and market demand. In the ancillary activity of agricultural large-scale enterprises, by expanding industrial cooperation contacts there will primarily be a dynamic development of the food processing industry, that accelerates income generation and which is closely related to agricultural activity, and of the activities that promote the efficient substitution of expensive imports.

Household and small-scale agricultural production will develop intensively by supplementing production in large-scale enterprises. The modernization of agricultural cooperative forms and the introduction of organizations and simple cooperatives (professional cooperatives, small-scale cooperatives, professional groups) that can adjust to the circumstances flexibly, will also contribute to the improved profitability and the integration of small farm production.

In harmony with this year's low-level of crop cultivation and the slight development of animal husbandry next year, food industry production will increase slightly. Organizational modernization will continue, in order to attain better cooperation with the agricultural producers and to increase their sensitivity with regard to expenditures.

In forestry, lumbering cannot be increased considerably, and the goal is to further increase the standard of processing in the course of exploiting the available timber resources, and to increase exports for convertible currency. The implementation of the long-term afforestation program will commence.

Within the production infrastructure, the performance of telecommunications will dynamically increase, and that of transportation will slightly increase.

Transportation will fulfill the slightly increasing demands of the people's economy by maintaining its transportation capacity, by placing a more even burden on these capacities during the year, and by making more efficient use of these capacities. The performance of railroad and public road transportation of goods is expected to be similar to this year's performance. The performance of pipeline transportation and ocean shipping will increase slightly. The international transportation and market organization activity must be improved, and the hard currency income must be increased.

The accelerated development of the telephone network, a development coupled with renovation, will continue through the introduction of resources obtained from the population and from other sources. More telephones will be installed than in previous years. The telephones supply to Szolnok, Debrecen, Kaposvar, Veszprem, and Szombathely, as well as to several villages and some Budapest districts—by means of container [kontener] telephone exchanges—will considerably improve. As a whole, the number of telephones will increase by some 60,000 new units, which exceeds the previous rates. The telex and data processing network, that is of decisive importance from the viewpoint of computerization, will increase.

Increasing the supply of healthy drinking water to the population and increasing the protection of water quality continue to be major tasks. The number of people supplied with healthy drinking water will further increase, by 100,000. The daily capacity of the water works will increase by 100,000 cubic meters, and that of the sewage water purification will increase by almost 70,000 cubic meters. The construction of the Bos-Nagymaros river barrage system and the establishment of sewage water purification installations in the surrounding towns will continue.

In areas most damaged by environmental pollution, the living conditions of the population will continue to be improved by carrying out development projects aimed at reducing the damages. In addition to increasing the capacities to handle dangerous wastes and purify sewage, as well as reducing air pollution, measures will be taken to make sure that technological discipline and the observation of environmental protection laws will contribute to reduce environmental pollution.

Investments [subhead]

The volume of investments is expected to be similar to the 1987 level. Conditions for the restructuring that is required for lasting economic stabilization will be based on selective modernization and development activities.

In addition to the economic units' spontaneous readiness to be entrepreneurial, the determined modification of income regulations, the acceleration in the flow of public capital, and the active participation of the banks in discovering and implementing conditions for profitable ventures will also support the expansion of lasting competitive and successful activities—primarily in the processing and food industries. Support for investments aimed at increasing efficient exports will grow; allowances, subsidies, and credits that adjust to the real efficiency of activities will also promote the implementation of other centrally stressed goals aimed at restructuring. The important development of telecommunications will continue.

The extent of investments decided by enterprises will increase slightly. Within this, and within the socialist sector as a whole, the proportion of state-financed investments will decrease. No new, central large-scale investment projects can be started.

Among the central large-scale investment projects under way, the plan stipulates increased subsidies only for the construction of the Bos-Nagymaros river barrage system, while support for other development projects will be considerably curtailed. Much less can be provided for central investments and local council investments, compared to this year. Investments in the energy sector and in the non-productive infrastructure will decrease.

Employment. The Income, Consumption, and Living Conditions of the Population [subhead]

The employment policy is to support economic restructuring by promoting a more powerful regrouping of active earners and to assist the continuous solution of problems deriving from the ensuring manpower mobility. The reduction in the work force will exceed the previous years' trends in industry, the construction industry, and in agriculture. The increase in the number of employees in non-productive branches will slow down.

District bodies to manage professional labor affairs (in counties and in Budapest) will actively assist the professional mobility of workers forced to change their jobs, will provide advice on career modification, and will organize retraining activities. A retraining allowance will also be provided to unemployed people and to people starting their careers.

The goal is to make sure that the social security of people who are temporarily out of work does not deteriorate. The already developed system of means concerning employment policy, and those means under preparation—including the employment fund and other related financial means—must be used to ease the territorial and structural tensions.

The establishment of small ventures will also contribute to the partial easing of territorial and structural tensions in manpower demand and supply, primarily in areas where there is a considerable manpower surplus.

In order to improve the domestic and foreign balance, the real income and consumption of the population will decrease. The strata of society that are most in need must be protected from the harmful affects of having lower incomes.

The nominal financial income of the population will increase at a considerably higher rate than in previous years, by 10.5-11 percent, primarily as a result of the substantial price compensation.

Earnings as a whole are planned to increase moderately and, at enterprises with an outstanding performance, they can increase at a rate that is greater than the average. Average wages are planned to rise by about 5 percent. Owing to the grossing up of wages, the real nominal increase will be some 21 percent, and average wages before tax will exceed 8,000 forints.

Minimal wages will increase from the current 2,000 forints to 3,000 forints in the people's economy as a whole. As far as possible, efforts must be made to make sure that individual earnings better reflect the differences in the efficiency of labor.

Social incomes in cash are to rise by about 22 percent, largely due to compensation connected with the tax and price reforms. The increase in the consumer price level will be fully compensated (15 percent, minimum of 330 forints) in the annuities of pensioners over the age of 70, those receiving first and second degree disability pensions, the blind, and of war widows and orphans. In addition to the regular supplement (2 percent, a minimum of 120 forints), pensioners below the age of 70 will receive an additional 210 forints. Family allowances will increase by 400 forints per child and by 500 forints in the case of children under the age of three, and in a few other categories; the child-care allowance will be raised by 330 forints, scholarships by 210 forints, and maternity assistance from 4,000 to 6,000 forints. Payment of child-care allowances will be extended until the child turns two. Other fixed-sum social security payments and social allowances will also increase to a different extent. As a result of the introduction of private income tax, the regulations concerning the setting of sums for certain social allowances (like, for example, sick pay) will change.

The consumer price level is planned to increase by about 15 percent. Parallel with the introduction of the general turnover tax, consumer price subsidies must be considerably reduced. There will be a substantial increase—exceeding the average—in the prices of children's articles, housing construction and maintenance, milk, and dairy products. The prices of adult clothing, sports articles, and of some other products will decrease at the beginning of next year. The price index of individual strata of society will not become considerably differentiated: The effects of price increases will be slightly higher than the average in town households and the workers' and intellectual households, and will be slightly lower than average in village households and in peasant and pensioner households.

In addition to the newly introduced bonus on interests [on savings], other measures, including the issuing of stocks, will also contribute to maintaining the population's readiness to save.

Good supplies and a favorable balanced market situation must be ensured with regard to basic consumer goods and regularly purchased products; the balance of demand and supply is planned to be restored also concerning other products, and the larger temporary shortages must be eliminated or prevented. The improvement in supply should be based primarily on domestic production and on increased ruble-accounted imports. It is necessary to prepare for the expected major changes in the structure of demand by ensuring closer cooperation between production and trade.

In addition to fulfilling the most fundamental needs, the councils should concentrate their development means on the major areas of basic supply (housing and drinking water), as well as on the creation of secondary educational conditions for pupils from large age groups. The social and economic program for developing economically backward areas will continue. It is necessary to reduce the regional and local employment and social problems that accompany the modernization of the economic structure primarily from central and council financial sources, and also by making use of the financial means owned by the enterprises and the population, and by increased council cooperation.

The plan stipulates the construction of 55,000 apartments by making use of state funds and financial means from the population. Efforts must be made to reduce the deteriorating situation of those strata of the population that are most in need and which have no apartment by expanding the means for housing management. The renovation of state-owned apartment houses will continue.

Several measures have been taken to counterbalance the increase in housing prices. The social policy allowances will increase in a differentiated way, the upper ceiling of favorable credits with 3-percent interest, available for private housing construction and for large families, will also increase. In addition, families in need can also request support from local councils. Families that build their own house can request a refund of the general turnover tax—in full, in the case of smaller apartments; and partially, in the case of larger apartments.

The accommodation of large age-groups must be solved partly by new projects and partly by using existing buildings and premises that can be adapted for educational purposes. The reconstruction of the Karl Marx University of Economic Sciences will be finished, and the construction of the chemistry block of the Eotvos Lorand Science University will continue.

The funds available in the area of health and social welfare should be concentrated on hospital renovation projects, increasing the number of places in social-welfare homes, and on equipping institutions with machines and instruments. Concluding the construction of major national health institutions (the Oncological Institute, and the Medical Science University in Szeged) will also contribute to increasing the number of hospital beds.

International Economic Relations [subhead]

The turnover of goods accounted in rubles will contribute to economic development by taking into consideration the requirements of a balanced trade. Efforts must be made to considerably increase the import of goods that fulfill the domestic solvent demands by carrying out active market activity and by taking economic management measures. Exports can increase in accordance with imports, but at a lower rate. It is necessary to make use of the mutual advantages deriving from cooperation by means of more up-to-date forms of cooperation with the CEMA member countries, and by developing direct contacts between enterprises.

Exports accounted in convertible currency should be dynamically increased primarily in the area of processing industry and agricultural products. In our trade with the developed capitalist countries, we must maintain and further strengthen our market positions by means of active market activity and by adjusting flexibly to the changing circumstances. Exports to the developing countries will also increase. At the same time, exports of the most unprofitable products from the viewpoint of hard currency revenues will be restricted.

Imports will be cut according to the foreign economic balance requirements. Substituting imports by means of profitable domestic production will also contribute to this cut in imports. Purchases of machines for the technical modernization of production and to increase export oriented capacities will enjoy priority.

Cooperation relations with foreign firms must be deepened. In order to allow a greater flow of active foreign capital to Hungary, it is necessary to genuinely improve the organizational and foreign information activities.

In the tourism branch it is necessary to firmly increase the convertible currency incomes by carrying out efficient market building activity and a flexible business and price policy, improving the conditions under which guests are received and the standard of tourist services, and by varying what is on offer. In the area of tourism accounted in rubles, a balance surplus that is coordinated with the exchange of goods must be achieved. Foreign sources will also be used in order to increase our tourism capacities. In connection with the easing of travelling conditions by means of measures and the development of services we must prepare for more frequent foreign travel by Hungarian citizens abroad.

The System of Means Aimed at Implementing the Plan and the Modernization of the Economic Mechanism [subhead]

In order to implement the major economic policy goals for 1988, and particularly to accelerate production restructuring and to support the requirements for a balance, considerable changes will take place in economic management. The determining elements of the system of economic management, including economic regulations, will be reorganized.

The producer price system will be modernized. The increase in producer prices in the material sectors—as the joint result of price reductions at the beginning of the year and of price changes in the course of the year—will not exceed 3 percent, including 2.5 percent in industry. The competent state bodies will regularly supervise the economic organizations to make sure that they carry out the changes in producer prices following the introduction of the new tax system in accordance with the regulations, and that they observe the temporary restrictions due to the changes in regulators. Even after lifting these restrictions, they will see to it, with adequate measures, that price developments occur within the planned framework, among other things, by means of the new system of price consultation to be introduced.

With the development in the activity of the banking system and the wide application of measures that promote the flow of public capital, the role played by financial management will increase. The issuing bank policy, the practice of refinancing, and the state supervision of banks will contribute to a credit practice that facilitates the implementation of the plan's goals and to improving the financial balance.

A requirement applying to the commercial banks is to conduct a flexible business policy aimed at increasing savings and based on profit considerations, a policy that promotes the development of export-oriented production, an accelerated modernization of the production structure, and the curbing of unprofitable activities.

The elimination of restrictions that temporarily hinder the activity of commercial banks is under way in order to develop an active bank policy. The differences between the banking procedures for the population and for the enterprises will start to be eliminated. A uniform financial system of information and supervision will gradually be developed. The activity of the securities market will increase.

The reform of the system of taxing enterprises and population and of the enduring elements of the enterprise income regulations that govern resources as a whole and which encourage interest in increasing enterprise assets, as well as the strengthening of this system's normative aspects, all also facilitate the increased differentiation of economic organizations according to their performance.

General turnover, entrepreneurial, and personal income taxes will be introduced, and certain taxes will be eliminated or greatly reduced. The value-added-tax will increase the differentiation between economic units according to their performance and will improve economic clarity. Personal income tax will promote a more just distribution of burdens and a more rational structure of the consumption by the population.

According to the plan, within the original income, the proportion of social net income will increase. An important requirement is that the increase in the profits made by the economic units should derive primarily from an improvement in the efficiency of their economic management, and that the profit-generating role of the unjustified price increases and subsidies should decrease. Incomes deriving from private activity and small ventures are planned to increase in accordance with performance.

Strict saving is necessary in the activity of budget organs and institutions by reexamining their tasks, rationalizing their activity, and curbing development projects. With the exception of some activities, the real value of budget subsidies will decrease.

In the long term, in order to develop an atmosphere that encourages market and property-oriented economic activity, and in order to improve the conditions of competition, it is necessary to begin the implementation of the market development program. For this, it is necessary to continue to modernize the regulations governing associations, and the introduction of a new uniform regulation should be prepared as soon as possible. The development of small ventures and private activities must be encouraged, and this also can be promoted by eliminating the legal restrictions.

Economic management is also using the supplementary and goal-oriented instruments of economic regulations, and the majority of these instruments are of a lasting nature. In addition to the general regulations, the system of competitive bidding and the related extensive allowances, credits provided by the World Bank, and other credits, as well as the renewed system of means for technological development will promote the favorable

restructuring of production, primarily an increase in exports accounted in convertible currency, and the technological development on which this restructuring is based. Reductions in profit tax and the institution of a wage club [berklub] will also increase the scope of efficient enterprises.

The government approved measures for economic organization in the framework of the plan for the people's economy for 1988 in order to solve the major tasks related to the living conditions of the population by developing foreign economic relations, modernizing the production structure, carrying out market development, product marketing, investments, and by developing the production infrastructure.

The Council of Ministers calls upon the enterprises and cooperatives, the councils, and institutions to finalize their own plans, coordinated with the people's economic goals, and promote their implementation through high-level and successful work. The Council of Ministers calls upon the working collectives, the public bodies, and all citizens in the country to contribute, through their work, to the implementation of the people's economic plan.

Miklos Nemeth Comments on 1988 Tasks

AU311409 Budapest NEPSZABADSAG in Hungarian 24 Dec 87 p 8-9

[Interview with Miklos Nemeth, secretary of the MSZMP Central Committee, by Szilvia Hamor: "Miklos Nemeth, Secretary of the MSZMP Central Committee—Promising Signs;" date and place not given]

[Text] In his article "Renewal, Reform, Society," Miklos Nemeth wrote: "In implementing the strategy that is aimed at closing gaps and is focused on qualitative tasks resulting from powerful concerns, we should simultaneously ensure that the process of reorganization is dynamic and the current situation is stabile." At this time, shortly before the new year, we asked the secretary of the MSZMP Central Committee whether the system of means aimed at serving the strategic goal he has outlined is already taking shape and whether the process that will put the economy on a more forceful course of development has already began.

[Nemeth] In my opinion, the industrial performance in 1987—which was better than expected—and the favorable development of exports paid for in convertible currency can be evaluated as a sign of stabilization, and these results occurred primarily because of the measures that in recent months have given enterprises greater freedom of action. I think that it is a promising fact that Hungarian exports of not only traditional basic or raw materials, but also of finished and semifinished products, have grown. The turnover of only one branch, the machine-tool industry, is lower than expected, but the lag here is not really significant. The budget deficit has been lower than expected and the increase in our stock of debts is $500 million less than in 1986.

[Hamor] But is this the beginning of a long-term development, or—as has happened before—is the revival limited and temporary?

[Nemeth] In my opinion, a process began in 1987 that allows us to have long-term hopes. However, this process can only be developed if the government, with the help of public organizations, is able to resist pressures that we have been unable to avoid this kind of "lobbying" this year, either. Producer prices, for example, are after all higher than we originally intended. I am sure that, by increasing the supervisory role of the National Assembly, it will be possible to eliminate these pressures from the start.

[Hamor] What is the most urgent problem we have to solve?

[Nemeth] The elimination of the crisis in trust between the government and the enterprises is essential to develop unity of action. The solution of this problem has already started at meetings attended by government representatives and managers from large-scale enterprise over recent weeks. We should establish a kind of "teamwork" within the government that is not based on a series of particular interests and that serves the interests of a coordinated and efficiently functioning system of the people's economic interests. The organizational modernization of state management and the definition of responsibility have created the possibility of making decisions more quickly and democratically.

[Hamor] In your opinion, what is the most important task for 1988?

[Nemeth] The most important task is to achieve the goals we set ourselves in 1987. What I have in mind here is implementing the tax system in a way that will facilitate a gradual extension in the freedom of action of good enterprises. This alone will provide an opportunity for technological development and for accelerating the change in the product structure.

Next year we will have to lay the foundations for the year 1989 for expanding reform and—beyond a limited view of the economy—implementing the necessary changes in social and social security policy, the wage system the system of pensions, and in the housing management system.

[Hamor] What do you personally expect from 1988? What would you think would represent success?

[Nemeth] It is difficult to isolate personal successes and to precisely define what the results of my work are within a comprehensive and large process. I would consider myself to be successful if, within 2-3 years, a financial system and mechanism were established in Hungary in which decisions are no longer made on the basis of particular interests and personal connections and where money alone is the decisive means. I think it is important

for us to establish within a short period of time that in the Hungarian economy restrictions should be placed on enterprises in obtaining money, while they should be able to manage the money that remains in their accounts freely and according to their own understanding of the situation.

Prices Office Head Szikszai Interviewed

LD301013 Budapest Domestic Service in Hungarian 1805 GMT 29 Dec 87

[The "Price Parade" feature of the "Evening Magazine" program—live or recorded]

[Excerpts] [Unidentified announcer] As you heard at the start of our program, a detailed briefing was published today about the price changes starting 1 January. Katalin Kondor talks to Bela Szikszai, chairman of the National Prices Office:

[Kondor] [passage omitted] Yesterday's papers published the communique of the Council of Ministers dealing with the 1988 consumer price level development, the central price measures connected with tax reform, and the raising of social policy benefits. To what extent do these measures form a part of our government program, of our economic policy concepts, of what the National Assembly adopted?

[Szikszai] They form an organic part of all that. It is known that these programs place the stabilization of our economic situation at the center of economic tasks. they ascribe a special role to the creation of economic balance, above all the creation and consolidation of the foreign trade balance. We know that the long-term path to this is to be found in production, in the reshaping of production, in the improving of management. But we also know that this demands many bitter steps which do not bear fruit immediately. Thus, we can only expect their true resurgence effects to manifest themselves fully in the years to come, perhaps. Yes, but we have to create balance, as a result of certain compulsory conditions, very soon indeed. For this reason, in the short term we have no choice but to bring to the forefront measures that help create balance through the reduction of domestic consumption. Since we are no longer able even in the shorter term to take steps that would further reduce investment, stock-piling activity, since this represents the technical economic basis of renewal, for this reason even more of the domestic consumption than usual will go to reducing consumption. A special tool of this reduction is the consumer price increase.

[Kondor] But, I suppose, the question of what and how much to increase is not decided only by the need to achieve savings somewhere or other, or the need to take away income somewhere or other; rather it is decided by the new concepts that are connected with the tax reform.

[Szikszai] You are right. I would even add that his must also make do for a longer term concept, perhaps. A rational consumption structure, intelligent consumer behavior, can only really be expected if the consumer himself also feels how much is costs the country to produce what he consumes.

[Kondor] To be precise, this means, does it not, that subsidies on goods must gradually be abolished.

[Szikszai] That is so. For this reason the present changes, the January changes and those that will occur during all of next year, have as their essential feature that consumer price subsidies will decrease in a large sphere and to a considerable extent. Their other element...

[Kondor, interrupting] Excuse me, how big is this sphere?

[Szikszai] They will affect basic consumer goods also. With the present measure the consumer price support will cease on meat products, generally on pork and beef. The same applies to children's goods, construction materials. What is more, some of them, joining in the tax reform, will not only become nonsubsidized products, but they will also carry turnover tax. For this reason the changes in a good number of products are unusually large. [passage omitted]

The communique of the Council of Ministers stresses that the change on 1 January will be of such scope that it will increase the overall consumer price level by 7.6 percent.

[Kondor] Before anyone can say, oh-ho: For a long time you were speaking of 15 percent; let us say that the 15 percent is true, but this 7.6 percent is what will take effect on 1 January.

[Szikszai] Therefore, the bulk of the measures, and those with the greatest capacity, will take effect on 1 January. But we must anticipate that certain product prices that have already changed, that their delayed effect [athuzodo hatas]—this is the specialist jargon—will continue to appear. Unfortunately, one must also reckon with interim price rises. These three factors together make up the 15 percent consumer price level increase during the full year.

[Kondor] Approximately how large is the sphere of goods on which the state price support will remain? Is it possible to know this now exactly?

[Szikszai] It is possible to know it exactly. In 1988 support will remain on milk products, solid fuels, district heating, passenger transport fares, railways, urban transport. These are unequivocally supported. Significant subsidies will remain on medicine charges and on water and sewage network charges. [passage omitted]

[Kondor] How big is the sphere of products in which the price increases will have a delayed effect?

[Szikszai] If I express this in terms of their effect on the consumer price level, then it will increase the consumer price level by 4.7 percent.

[Kondor] Now, the 7.6 percent that will take effect on 1 January, and this 4.7 percent, that still only makes 12.3 percent. How do we get 15 per cent?

[Szikszai] Well, the remaining portion of the 15 percent is what we predict in the form of further price rises in the course of 1988. Unfortunately, the process of the price increase does not end with the January step, which is a very big one; we also reckon on interim price rises. The reasons for these may be, above all, the further rise in the cost of materials, energy. Their effects will appear sooner or later. Steps we have already taken will also have an effect. In 1987 we twice devalued the forint against convertible currencies. The effect of this double devaluation is also a gradual one. In this sphere there is another effect, which in fact represents quite a large measure of uncertainty; namely, that if the sphere and extent of prime necessity goods undergoes such a big change, then everyone who can do so will try to pass it on. One of our biggest problems and biggest tasks is to prevent these assuming unjustifiable proportions. We must not allow the producer price decrease implemented with the tax reform and the price reform to be replaced by a return to the status quo in the enterprises, that is to say, a return to the original income position of the enterprises. For if they can regain this, then it is precisely the structural changes we are curbing, those necessary changes which, in enterprises' management, in their production and product structure, we want to encourage, and what is more, to enforce more than ever before. [passage omitted]

Obviously, these enterprises, or at least a significant proportion of them, will try by price increases to regain the income position they obtained previously but in fact did not deserve. This we have to prevent by many means, with all the means of economic direction, with a strict financial policy, with the reduction of budget supports, just as with price mechanism means, so that this retuen, this unjust return to the status quo, which curbs the transformation, does not take place. [passage omitted]

[Kondor] So, what you are saying is that if the government program is not strict in all its elements, but, let us say, becomes lax here and there, then even this kind of price policy can fail.

[Szikszai] Precisely. I may even go so far as to say that our entire economic policy direction, which will take shape in the coming year, will succeed only if the various tools of economic policy fulfill and play the role given them by this economic policy in a really coordinated and consistent way.

[Kondor] Let me then ask just one more question. What does the state reckon will result from this fall in the living standard of us all, with, I think, very few exceptions? How much mobilization of money, what size receipts, does it expect from the present price rises?

[Szikszai] Looking at their effect over the year as a whole, perhaps their magnitude will be made clear if I say that life will cost 95 billion forints more in 1988.

[Kondor] For these 10 and 1/2 million or so Hungarians?

[Szikszai] Yes. Now, of course, this will appear in a differentiated way. Now, as for the figures, well, I do not want to give six-figure numbers. It is very difficult for people used to talking in thousands of forints to understand tens of billions. This applies even to me. But perhaps the magnitude will be made clear if I say that 95 billion foreints is as much as the Hungarian population as a whole spends on consumer goods perhaps in a year. Or, to give another example, it is 1 and 1/2 times as much as what the population spends on articles of clothing. Therefore, it is very large. For decades there have not been two such years in succession as 1987 and 1988, in which such a large price relation change, price increase, took place.

Havasi on Political, Economic Reform

AU311255 Budapest MAGYAR HIRLAP in Hungarian 24 Dec 87 p 5

[Interview with MSZMP Politburo Member Ferenc Havasi, first secretary of the MSZMP Budapest Party Committee, by Correspondent Istvan Matko: "Policy Should Not Just Follow, But Also Help the Economy"—date and place not given]

[Excerpts] The year that is now ending has been a vibrant one, but not without tensions. The party has formulated a new position toward the issues facing the economy and society; the new government program was formulated in the fall; the National Assembly session in December outlined the direction to follow in solving our tasks; and the modernization of administrative activity has also begun. We have often declared—and it has never been more true—that fateful changes and tests are facing us. To successfully pass these tests, we need—in addition to a rational program—to honestly analyze the major experiences of the past year.

[Matko] It is often being noted these days that the fact that the 13th MSZMP Congress adopted an exaggerated rate of economic growth led to the country's indebtedness. What is your opinion about this?

[Havasi] [Passage omitted] Following the MSZMP Central Committee meetings in June and July 1987, some critical observations are indeed now emerging with increased firmness. In some people's views, it was a mistake to call for growth and dynamism at and following the congress because this led to the 1985 and 1986

plans not being fulfilled to the extent they should have been, and to the stock of debts beginning to increase at an exaggerated rate. This criticism has been formulated by reform economists as well as by some members of the opposition. [passage omitted]

The condition for development and for the reduction of the stock of debts is for the economy to become dynamic within a changed and adequate structure. To meet our debt obligations, we have to increase the economy's capacity to produce value and income. We are forced to continue our restrictive policy at home in a different way, and, in our foreign financial affairs, we have to pay installments on new loans. We can achieve all this only by gradually accelerating economic growth based on structural modernization. For this, we must increase national income by 2-2.5 percent, and later by 3-3.5 percent. Therefore, for my part, I cannot accept the claim that the fault for the deterioration in our economic balance rests with ill-considered decisions on acceleration of economic growth. [passage omitted]

What is the fault of the previous political decision-making process and of the guiding activity? In my opinion, our fault lies in the fact that we did not create—and I mean here the Central Committee apparatus— the organizational, institutional, and personnel conditions for implementation. This problem concerning implementation has been an old one in Hungary. This led to the mistaken view also adopted by the opposition according to which "the implementation failed because the decisions were bad and the Central Committee drew the wrong conclusions in stating that its decisions were correct and that only the implementation was bad." In reality, however, this viewpoint did not prevail in the Central Committee. [passage omitted]

The responsibility of the executive bodies of the Central Committee lies in the fact that to this very day they have been unable to create the above-mentioned conditions.

Another mistake for which the political leadership can be blamed is the fact that it was very slow in making the reform of the system of economic management comprehensive, that is, covering all areas of society's life. [passage omitted]

[Matko] I think we can clearly see now that we cannot regard economic reform as some sort of engine that pulls along coupled cars. What can the political development program be like?

[Havasi] [Passage omitted] At long last, following its meeting of November 1986, the Central Committee declared that Hungary has arrived at a phase in its development in which development should align all the forces of the party and of public life that can be mobilized in all areas, including ideology, the system of political institutions, and the mass media.

After all this, the question is rightly be asked: to what extent was ideology able to help the reform? I think that certain social sciences immediately helped and even prepared the reform. Hungarian economic science, for example, cannot be blamed for lack of reform-oriented thinking and failure to realize the necessity of reforms. Hungarian sociology also made considerable progress and was helpful. On the other hand, a few branches of the social sciences lagged far behind practice, although the results of this have been varied in degree. [passage omitted]

[Matko] You have mentioned new requirements facing ideology. What does that mean for the society?

[Havasi] This means that reform must include all areas of society; there is need for really extensive changes. We can rightly demand that ideology should not only follow, but also assist in finding socialist solutions and help in formulating socialist answers to questions presented by practice. [passage omitted]

The renewal of public life is inconceivable without developing the party's leading role. It is possible to heal the ills, problems, and pains of this society, and it is possible to avoid the operational disturbances in the system of political institutions. The party feels all the problems and ills of the society, but it also senses society's power. [passage omitted]

We have all the conditions at our disposal to make the society capable of work and struggle. To do this, however, it is to renew the internal life of the party. We must overcome the feeling of crisis, this feeling of moral crisis that prevails these days, and we must eliminate the apathy that is spreading. [passage omitted]

[Matko] As a party worker, you have been directly involved in all the events; how do you now see the lessons of the almost 2 decades since 1968?

[Havasi] Although they were different, neither the "golden times" in the economic life between 1968 and 1974, and the subsequent phase of economic difficulties benefitted party life because both phases were able to divert our attention from consistent "service" to the internal life of the party. One phase was not good because things were going well, the other phase was not good because we actually restricted the party's internal life to dealing with economic issues. Party members were excluded from the action, and those formulating policy became executor of policy. Therefore, if we re-examine our work, we will come to the conclusion that the basic party organizations should be filled with new content and that they should become the organizations of collectives responsible for the fate of the country, organizations where a party meeting is not confused with a work meeting. [passage omitted]

If once we were not afraid to cooperate with allies who were different in their world outlook, who questioned our international commitment to our system of alliance and the correctness of making the socialist ownership the prevailing one, but agreed with the communists to cause this country to flourish, then why are we afraid today to talk to the critics or to argue with those who agree with us on basic issues? In short, why are we afraid today to apply the principle that whoever is not against us, is with us. Today's policy of alliance is less courageous than the one following 1945 and 1956. We must also regard this issue as part of the development program and must provide an answer. As long as we do not do this, we cannot be fully prepared for struggle.

[Matko] Thank you for the interview.

Leaders' Public Appearances 18-28 December

AU311430 [Editorial Report] Budapest NEPSZABADSAG in Hungarian from 19 to 29 December reports on the public appearances of the following leaders between 18-28 December (date and page number of each report is given in parentheses):

Ferenc Havasi, member of the MSZMP Politburo and first secretary of the Budapest MSZMP Committee, participated in a session of the central leadership of the Mining Workers' Trade Union in Budapest on 18 December. (19 Dec p 8)

Janos Berecz, member of the MSZMP Politburo and secretary of the MSZMP Central Committee, attended an ideological conference held at the MSZMP Political Academy in Budapest on 21 December. (22 Dec p 4)

Laszlo Marothy, member of the MSZMP Politburo and minister of environmental protection and water affairs, attended the launching ceremony of the Sechenyi ice-breaking and towing ship at the Ganz-Danubius plant in Obuda on 27 December. (28 Dec p 5)

Pal Lenard, secretary of the MSZMP Central Committee, attended the opening ceremony of a renovated theater in Kecskemet on 18 December. (19 Dec p 8)

Jaruzelski Cites Goals in New Year's Address

LD312020 Warsaw PAP in English
1930 GMT 31 Dec 87

["Wojciech Jaruzelski's New Year's Address"—PAP headline]

[Text] Warsaw, Dec. 31—I turn to you, fellow countrymen, with the traditional New Year's greetings.

In a few hours 1987 will end. It will leave a permanent, significant mark in the chronicles of Poland and the world. We bid it farewell with sadness, as every passing away of human life, but also with confidence that the seeds which have been sown will give an increasingly plentiful harvest.

History is not a simple sum of facts. There are, however, events of particular significance. The first in history disarmament agreement—is an important step towards a world free from the threat of mass destruction. It is a feeling of relief for all the inhabitants of our European home.

But a truly secure, peaceful world—is still a distant goal. Its practical creation demands responsibility, good will and boldness of thinking. The nearest future will show whether all the participants of the dialogue prove equal to the task. The socialist states' offer remains valid. May 1988 bring a further improvement of the international climate, bear fruit in the shape of increased mutual confidence, progress of the disarmament process.

For Poles, for Poland, the passing period was not easy. It was not free of worries and concern. However, we have not stood still. Through the nations' effort new material values were created. The experiences of socialist democracy are richer, openness has strengthened, confirmed was the irreversibility of the renewal. Today our joint knowledge is deeper about what hinders and what constitutes support for reforms—the consciousness of what we are like, what we think about the matters of the state, economy, social life.

Poland's voice once again counts in the world. Our active, credible policy, fruitful visits and talks, confirm this undeniably. This is simultaneously our co-participation in the great, peaceful offensive of the Soviet Union, the states of the socialist community. We will continue, on every forum, in every possible way, to contribute towards the strengthening of the tissue of all-European security and cooperation.

Citizens of the Polish People's Republic:

Many streams flowed into the river of Polish history. Time favours just evaluations—keeping everything that in the nation's past had been valuable and merited good fame, rejecting that which dragged us back and even today is frequently a distressing burden.

Next year will see the 70th anniversary of the regaining of independence. The deeds of many generations will remain in the national memory. Their historic achievement was the defence of all things Polish, the reconstruction of the edifice of an independent motherland. But new, hard experiences came—the horrors of war, the suffering of the occupation, the heroic struggle against fascism. It was said that even a century will not suffice for Poles to lift the country from the immensity of losses and destruction. But Poland was reborn once again. A revolutionarily new historic quality was created. From that time we covered a great distance on the scale of history.

Now, only old newsreel footage reminds us about the first New Year's Eve in post-war Poland—the plunged in darkness ruins of Warsaw and Wroclaw, Gdansk and Szczecin, the torn down bridges, dugouts in place of burnt out villages, endless rows of soldiers' and partisans' graves.

Recalling those, most difficult years, with particular warmth we think about the veterans, pioneers of reconstruction, the veterans of struggle and work. They did not spare themselves, did not wait for pity from others. To them I direct words of deepest respect and esteem.

I also direct them to those who are continuing the work of their predecessors, when they multiply national goods at their work posts, when in exhausting service they stand on guard of Polish borders, ensure the functioning of the institutions of the people's state, guard the security of citizens.

I turn with New Year's wishes to all people of honest work: to workers and peasants, cooperativists and craftsmen, to representatives of all milieux and professions—engineers and technicians, doctors and teachers, the creators of science and culture. May the coming year leave a good mark in your lives, bring as much happiness as possible.

Citizens:

During the past several years we moved along the road of economic reform, though with an unsure, insufficiently firm step. We particularly strongly felt the brutal restrictions, numerous objective barriers and subjective inhibitions.

It is high time to cross over the decisive threshold, move towards more determined and effective actions. This requires persistence, patience, imagination.

Do we have enough of them? Will we be capable of breaking the magic circle of delays, neglect, partial solutions?

Our allies and friends watch our efforts with confidence. Others, those who do not need a strong and modern Poland—watch with reserve, and not seldom with dislike. Both ask themselves a question: Will the Poles again end up in discussions. Will they manage to cut mythomania, illusions and faint-hearted quarrels.

The economic reform is not only a thorough re-construction of the mechanisms which govern the economy. It is also the necessity of deep changes in the public awareness. Both these elements are organically linked together.

We want the sincere, honest debates of Poles to become an inseparable component of our public life, to help the crystallisation of the sense of collective responsibility for the future of this country.

The expansion of the socialist democracy reveals the variety of views and attitudes natural in a mature, educated society, it makes it possible to overcome contradictions, to shape the practice of an honest, concerted, and creative action. Yes, creative action.

Here is a time of tough test, a time of great opportunity, our national examination of the year 1988. It may have a breakthrough-making significance for further development, for prestige, and position of our country.

We should and we can live up to this challenge.

With this thought in mind I am cordially greeting the Polish United Workers' party members, its seasoned activists. I address my greetings to the allied parties, the activists of the Patriotic Movement for National Rebirth, the great numbers of People's Council members, unionists, representatives of self-governments. I address all party and non-party social activists who have the weal of our motherland deep in their hearts. You decide of the dynamics of the Polish community. Let the time which comes give you new strength.

I send my warmest wishes to the young peoples. We know how often your start into life is difficult, we understand the worries at the threshold of adult life.

Therefore, I am wishing you not just personal happiness because youth brings it by its nature. Be critical, even angry, but first of all be constructive. Giving up, resignation in the face of difficulties is a worthless prescription for life.

Many words have become worn out by now, not all find their way into young minds. But deep and bold reforms are not a stroll along a park lane but a real struggle against conservatism, stagnation, inactivity. This calls for courageous people who push things through. Young people should be such. Join the front line of these changes. They offer a vast and rewarding field for activity to the enterprising, energetic, hard working persons.

I address my best wishes to the Polish women. The Polish nation owes you so much. Your, in fact, double toil: family and social, professional and maternal, deserves the greatest warmth and recognition.

The ordinary day does not spare you troubles and difficulties. They not always can be helped. But a good deal of them can be soothed with kindness between people. May the personal culture, readiness to help, kind smile, accompany us all in the New Year.

The New Year's Eve encourages good moods. But it is not joyful to all. How many ill, lonely, and wronged by the destinies people are going through these hours in sorrow and suffering. Please accept the warmth of our thoughts and words. Let today's New Year message reach also the millions of Poles scattered worldover. Neither the place of residence nor the type of passport decide on national consciousness, the awareness of one's own origins, the attachment to one's native culture. Everyone who understands and respects the fundamental reasons of our state, who wishes Poland well is close to us. The way to the home country is always and will remain open to you.

Compatriots:

We are a nation of 38 million with a rich culture, significant scientific and civilisational achievements. The desire is strong in our society for better conditions of existence, greater effectiveness of the collective work, for making everyday life fully worthy of the ideals of socialism of the end of 20th century.

No one will do it in our stead. We shall be worth as much, we shall have such a life, as we ourselves, at our place and on our land will arrange our Polish home. For the supreme, the most important value going over all worries and concerns is the Polish Republic, our state, our fatherland.

The belief in our own strength, patriotism, and selflessness are priceless national assets. They can be wasted but they can and must be used to produce big crops, to give a source of confidence.

Let the coming year 1988 be friendly and succesful to our fatherland. Let it bring a progress noticeable to everyone, consolidate peace, strengthen Poland.

Happy New Year.

ZSL Presidium Discusses Agricultural Problems

LD301740 Warsaw PAP in English
2245 GMT 29 Dec 87

[Text] Warsaw, Dec 29—The Presidium of the Central Committee of the United Peasants' Party ZSL today acquainted itself with the production-economic situation in agriculture and the food industry.

The Presidium stressed that despite the unfavourable conditions for agricultural production this year, agriculture fulfilled its tasks, in some fields reaching levels envisaged for 1990.

At the same time the Presidium expressed deep concern over the growing threats to agricultural production, the consequences of which could pose a danger in the coming years to not only the food complex but also to the implementation of the policy of feeding the nation and bear a negative impact on the whole national economy.

The Presidium stated that the striving of farmers from all sectors to intensify food production, stemming from the joint agricultural policy of the PUWP and the ZSL, has born fruit in good production results. At present, however, these are weakening due to the said threats.

The Presidium deemed the following as the most important threats: an insufficient rate of restructuring the national economy towards market-oriented, and thus agriculture-oriented industry, shortcomings in the implementation of the investment projects program in the food complex, a deepening of the disparity in the incomes of the agricultural and non-agricultural populace, and insufficient supply of agriculture with the means of production and many others.

Shortages of diesel fuel in the second half of 1987 resulted in ploughing work not being completed over an area of about 800 thousand ha and sowing of winter grains over about 300 thousand ha. This will have a negative impact on the crop yield in 1988.

The Presidium deems as especially harmful the concept of stabilizing food prices and revising the principle of parity between incomes forwarded by some important opinion-forming milieus, among them, by some members of the OPZZ Trade Union Alliance and members of the consultative economic council.

Putting these concepts into effect would render impossible the implementation of the program of feeding the nation and could cause disturbances in the whole national economy. It would also become a source of serious threats which could lead to social and political conflicts such as the ones which took place in the past.

The production results posted by agriculture are not a fixed trend. The goal of achieving full food self-sufficiency is at peril, as are the chances for improving the balance of foreign trade through exports of foodstuffs, stated the participants of the meeting.

The Presidium considers it necessary to consistently implement the fundamental principles of the joint agricultural policy and to more effectively supply agriculture from other branches of the national economy.

Electoral Law Changes Opened to Public Debate

LD302109 Warsaw Television Service in Polish 1830 GMT 30 Dec 87

[Text] The Council of State has subjected to social discussion the guidelines for changes in the electoral law to People's Councils, which was accepted at today's session. Thereby, there shall be acknowledged the will of the majority of citizens that expressed themselves taking part in the voting in the national referendum and expressed themselves in favor of further democratization of sociopolitical life. The inspiration for the proposed solutions was also the postulates contained in the programmatic documents of the 10th PZPR Congress and also in the Standpoint of the Second Congress of the Patriotic Movement for National Rebirth. The point is the creation of condition for the more active participation of citizens in the entire electoral process and the strengthening of the People's Councils. The conception presented relates above all to the following institutions of the electoral law: the setting of elections dates; the appointment of electoral commissions and colleges; the presentation and consultation of persons proposed as candidates for people's councillors; the drawing up of electoral lists; the course of voting and determination of electoral results, including the abolition of the legislative preference on the electoral lists; the recalling of councillors by electors and the supplementation of the makeup of councils during the course of their terms. The full text of the guidelines for changes in the electoral law to the People's Councils will be carried by tomorrow's press.

Abandonment of Stalinism Analyzed

AU311231 Warsaw KULTURA in Polish 18 Nov 87 pp 3, 6

[Jerzy Ladyka article: "Ideology and Theory"]

[Excerpts] Since everything indicates that the world socialist movement continues to abandon its doctrinal thinking, it is necessary to think over many theoretical and ideological concepts and to change the value of previous views. This must not be done in the form of a fervent act of faith or of periodical animated discussions. Abandoning doctrinal thinking amounts to promoting new thinking, one that is able to examine the questions of knowledge and, if necessary, of theory from a distance.

For certain Marxist intellectuals the task of changing values boils down only in part to overcoming the doctrine of socialism known as Stalinism. As I see it, this doctrine has two layers of features developed as a result of certain interpretations of Marxist theory. The first layer is connected with the centralist and command system of management, and with the dictatorial exercise of political power. The second layer is connected mainly with ways of realizing the postulates of socialist construction and with the methods of government by terror, despotism, and police supervision over all areas of society's life. More strictly speaking, this second layer is

called Stalinism. We have parted with many phenomena characteristic of Stalinism in Poland and we have done this gradually, beginning with 1956. We have abandoned the thesis about the intensifying class warfare as socialist construction progresses, we have given up compulsory collectivization of rural areas, we have stopped discriminating against the faithful and oppressing the Catholic Church, we have eliminated the system of repression vis-a-vis the nation, including repression within the party, and we have rejected arbitrary cultural policy.

The objective process by which the social base of Stalinism continued to shrink made it easier to eliminate it. I do not think that it is possible or necessary to attribute the longevity of Stalinism to Stalin's personal qualities (although they were no doubt influential to some extent) or to some special international determining factors. The Stalinist formation relied on a historically developed social base in the USSR and other socialist countries, including Poland. This base was made up of the masses of workers and peasants, especially of poor people, whom the basic socialist reforms heaved out of their poverty and degradation.

The slogan that the capitalist system should be replaced by the system of socialized property was reason enough to introduce central management and government by command at a time when the country needed order and when the war-ravaged and disintegrated economy had to be made to work. On the other hand, the slogan that the vision of a classless society (free from antagonisms) should be realized was reason enough for the establishment of political dictatorship at a time when the antisocialist forces continued to refuse to leave the stage of history and employed terror not only in the struggle against the government, but against all those who welcomed social changes with joy. Trends toward plebeian despotism, which was to a great extent a form of compensation for social wrongs committed in the course of centuries, were bound to appear during the movement of classes in the area of the country's political activities.

There are many examples to show that there was social support for the main principles of the then doctrine of socialist construction. The realization of these principles produced social liberation, democracy, and above all justice. As a result, millions and millions of working people gained a sense of economic security and human dignity. However, it is also a fact that this process produced a state-bureaucratic formation which, in the name of socialist principles and, to some extent, in the name of its selfish interests, succeeded in building a system of mechanisms that put a brake on socialist democracy, the economic enterprising spirit, and the working people's creative initiative.

Objectively speaking, all this was directed against the development of the socialist essence of social life and was largely responsible for the fact that the working people lost their confidence in the socialist government, especially on occasions when this government was unable to respond to the social needs produced by the natural course of the nation's life. August 1980 was the time when the last assault was made to complete the downfall of the Stalinist methods of government in Poland. This was how the enlightened workers class demonstrated its protest against the model of government which, it is true, was already quite polished, but which was still Stalinist in essence. [passage omitted]

The Catholic Church is (correctly) aware of the serious danger to its philosophy and, consequently, to its social interests in the enlightened and educational function of scientific research, which explains the mysteries of reality and eliminates reasons for irrational thinking. This is why the Catholic Church has assumed a negative attitude toward Marxism as a scientific theory of how to create a social order on the basis of sensible people-to-people relations freed from all forms of alienation [alienacja], including religious alienation.

Since it is useless nowadays to expect that a direct struggle against scientific theory can be successful, attacks on Marxism continue on the plane of ideology. Reducing the theory of Marxism to no more than just ideology makes it possible to question ideology's scientific and cognitive values in accordance with the assumption that all ideologies are relative in nature. On the strength of this, Marxism continues to be attacked as an ideological system that is primarily determined by the interests of individuals whose human nature is basically mutilated and who think and act under the influence of their own bad qualities, which are often identified as diabolical powers. If we bear in mind in this connection that such an evaluation is often made from purely ideological positions, it is nothing strange that the contradiction between Catholicism and Marxism looks like a collision between two religions, that is, between two systems, which are rooted in faith and are as white is to black, good is to bad, and so on. In this controversy the Catholic Church has assumed the role of the fountain of truth and absolute ethics and is inclined, regardless of its declarations that it is in favor of dialogue, to censure its partners in opposition. When I say the Catholic Church, I have in mind its center, which is primarily represented by the present pope.

The paradox of the position assumed by John Paul II is that he, who is quite progressive in criticizing capitalist abuses such as rampant consumption and is quite courageous in demanding justice for the poor living under capitalism, continues to display an unshakably negative attitude toward Marxism and real socialism. The pope is unable to see and recognize the fact that postrevolutionary reforms launched by socialism have resolved many social problems in line with the interests of the oppressed and the exploited. His typical inability to give scientific research its due is a result of doctrinal-ideological considerations, because the pope represents the theological conservatism that dates back to very remote times and corresponds to anachronistic anti-Bolshevism.

In their confrontation with Catholicism, the Marxists should refuse to have the formula of the exclusively ideological dispute imposed on them. They will be capable of such a refusal only if they really represent Marxism in the form of open scientific theory—open to the cognition of reality, of course—and not in the form of dogmas. The philosophical dispute between Marxism and Catholicism should take place in the field of cognition and of the selection of methods and criteria by which truth can be established. This dispute is one of the expressions of the agelong clash between rationalism and irrationalism, the purpose of which is to create arguments that enable man to choose between his own cognitive powers and the knowledge provided by external sources relying on faith, that is, on authority. [passage omitted]

We are being forced to forge ahead without a guide and without models. The list of examples to be imitated has been exhausted. That is why we ourselves have to take responsibility for every new step toward socialist society and culture. Marxist ideology, which actually is an ideology of empirical intellectualism and real humanism and which enjoys the backing of the workers class and all the working people, who continue to acquire more and more education and more and more intellectuals, is able to fully reveal its strength only if it proves itself in practice. Nothing else will do. As a collection of fixed notions and unproven ideals, ideology becomes an abstract slogan. But ideology becomes a material force if it is clothed in the experience of real people, who take action to shape reality in line with the desirable goals. [passage omitted]

Work Continues on Satellite Television

LD021802 Warsaw PAP in English
1520 GMT 2 Jan 88

[Text] Warsaw, Jan. 2—There are already first individual and collective subscribers to programmes of satellite TV in Poland. There is a chance that satellite TV will be in every house at the end of the 1990s.

The work is under way to introduce the so-called STY-12 system of satellite TV of direct reception in Poland. It is part of international research within the Interkosmos CMEA research programme.

The production of equipment to ensure individual and collective reception of satellite TV is to start in 1991. After the Soviet Union puts a special satellite on the orbit and after a ground transmitting station, sending a national TV programme to the satellite, is built, trial TV emissions via outer space will start in Poland after 1992. Several years later, Poland will be able to use new TV channels (there are to be five of them) assigned to this country under an international radio-communications convention.

Further progress in this area is linked to introducing cable TV.

So far there are two national television channels in Poland. Also Soviet TV's channel 1 is received in Poland via Satellite.

Dlugosz Discusses East-West Relations, CEMA

AU301536 Warsaw RZECZPOSPOLITA in Polish
28 Dec 87 p 3

[Interview with Stanislaw Dlugosz, deputy chairman of the Planning Commission, by Tomasz Bartoszewicz: "A New Stage in East-West Relations—Commitment and Partnership"—date and place of interview not given]

[Text] [Bartoszewicz] How will the Soviet-U.S. summit influence the East-West economic relations?

[Dlugosz] Prospects are certainly encouraging. Let us remember that the two great powers are the decisive factors not only in the political situation, but also in the world economy. In the political-disarmament area they have been able to achieve the first accord, which may result in the complete elimination of the danger of military confrontation. Since politics are closely related to economics, the present Soviet-U.S. turning point in world politics should herald a positive evolution in East-West economic relations.

This process will certainly be long and will probably take place in stages. I think that it will begin with switching over from the present form of relations to a stage of economic competition on three planes: accelerated scientific-technological progress, improvements in economic management, and influence in the Third World. Next, the development of the Soviet-U.S. dialogue should lead to a second stage, which I would define as competition that is marked by distinct elements of cooperation based on mutually coordinated rules of the game. As soon as the "new thinking" launched by M. Gorbachev is generally established, it will be possible to speak of extensive cooperation that is fully beneficial for all participants.

[Bartoszewicz] Will this be an easy process?

[Dlugosz] Each new thinking, especially radical thinking, is a difficult process. Getting used to such thinking takes time, but what is important is that a new thesis has been put forward, which fights the theory that East-West confrontation is inevitable. Of course, everyone knows that fundamental differences and even contradictions of interests, including economic interests, exist between East and West. However, the sides see a long and perhaps bumpy road along which they can reconcile their interests. Naturally, influential circles, which oppose detente and which continue to show their flag, will militate and will try to halt or delay the development of that indispensable process. After all, some of these circles have their place in the centers of power. Economic relations will also be greatly affected by the state of the Western economies, the assessments of some of which are not too encouraging.

[Bartoszewicz] I think that you are an optimist, despite all your reservations. Do you think that the expected new climate of East-West relations will make it necessary to revise the ruling thesis our country's "excessive dependence" on the West is inadmissible?

[Dlugosz] As we know from the past, every improvement in the political climate, especially in the Soviet-U.S. dialogue, is favorable to economic cooperation. After all, the two great powers provide the "framework" for the entire East-West cooperation. As for the "dependence" you mention, I would like to say that any kind of economic dependence is dangerous. That is why some serious publications in the West, such as THE ECONOMIST INTELLIGENCE UNIT, for example, say that the Polish economy is too much dependent on Western imports. We paid the price of learning the meaning of such dependence not only during martial law, but also before World War II.

In this connection we should keep in mind that our policy of cooperation with foreign countries has always been open, except for the period of cold war, which we did not unleash. We are now wiser from our experience at the beginning of the eighties. Personally, I do not see any contradiction between our efforts to restore all forms of East-West economic cooperation and a return to dynamic cooperation. However, the condition is that such cooperation is based on partnerlike relations and meaningful business calculations. One thing is certain: Each improvement in the climate of East-West relations can be a crucial benefit for the consistent realization of the second stage of the economic reform. Although our economy's links with foreign countries (for example, in terms of per capita foreign trade) are not adequate, our economy certainly depends on foreign countries.

[Bartoszewicz] You oppose excessive dependence on foreign countries. What about this dependence in the case of the socialist states, especially the USSR? [Dlugosz] The USSR accounts for over 30 percent of our foreign trade and of our entire, broadly conceived, economic cooperation with foreign countries. However, whereas it is legitimate to speak of dependence on countries that have different sociopolitical systems, we should view our relations with the socialist community countries as interdependence and even partnership. This does not mean that differences of interests do not exist between the socialist states. However, these differences are resolved by negotiations, which are often wearisome and long.

[Bartoszewicz] Speaking of economic "dependence," do you think that such dependence occurs when imports of certain goods of strategic importance for the economy have to be made from the only country that possesses such goods?

[Dlugosz] Our entire postwar experience, especially the experience at the beginning of the eighties, shows that our policy of economic cooperation with foreign countries has been correct. This policy has resulted in very extensive links with the socialist community countries, primarily with the USSR, especially with regard to acquiring raw materials and, in the past few years, new technologies. The trade structure of this cooperation is also fully advantageous for us, despite various shortcomings of quality, of which we are fully aware. This shows that you cannot speak on Poland's one-sided dependence.

[Bartoszewicz] You said that differences of interests occur on occasions between the socialist countries. Any details?

[Dlugosz] These differences are natural and occur even between the best friends. The primary difference, which is fully natural, occurs between exporters and importers, especially with regard to the level of prices. Exporters want to sell dearly and importers want to buy cheaply. The problem of price-fixing in CEMA must be urgently resolved, and this was noted by the 43d session. The second difference results from the fact that, in bilateral relations, each socialist country wants to be primarily an exporter and not an importer. The simple reason is that these countries are not as keen on the transfer ruble as they are on freely convertible currencies, and this is a result of the absence of multilateral settlements of accounts. Certain decisions were made in this connection by the 43d CEMA session. The third difference results from the fact that, to put it simply, CEMA has two models for managing the national economy: Some countries adhere to highly centralized systems, but other countries, including Poland, believe in a decentralized system based on the independence of enterprises. As I see it, the fourth difference is the fact that each partner seeks to export highly sophisticated goods and to import raw materials and semi-finished products.

[Bartoszewicz] Is it always possible to eliminate these difference through negotiations?

[Dlugosz] The mechanisms adopted by CEMA are the basis on which interests are reconciled, but, as the course of the 43d CEMA session indicated, we now realize that these mechanisms are obsolete and have to be fundamentally revamped. In this connection we must always bear in mind that the more progress we make in cooperation within CEMA, the more attractive and important partner we will be in the field of East-West relations.

Leaders Congratulate Romanians on Anniversary

AU041109 Warsaw TRYBUNA LUDU in Polish 30 Dec 87 p 2

[Text of congratulations message from PZPR First Secretary W. Jaruzelski and Premier Z. Messner to Romanian counterparts on Romanian anniversary]

[Text] To Comrade Nicolae Ceausescu, RCP general secretary and president of the Socialist Republic of Romania, and Comrade Constantin Dadalescu, prime minister of the Government of the Socialist Republic of Romania, in Bucharest:

Dear Comrades, on behalf of the PZPR Central Committee, the State Council, the Council of Ministers of the PPR, and the Polish people we send cordial greetings and best wishes to you and to the Romanian people on the 40th anniversary of the proclamation of your republic.

The proclamation of the Romanian Republic on 30 December 1947 was an important event in the Romanian people's history and marked the beginning of a new stage in Romania's development: the construction of the system of social justice. Under the leadership of the Communist Party, the Romanian people began promoting socialist construction and became a member of the socialist community, thus ensuring their homeland's rapid socioeconomic development in all areas.

We are deeply convinced that the relations of traditional friendship and cooperation linking our parties, states, and peoples, and the collaboration within the political-defensive Warsaw Pact and CEMA will continue to develop and consolidate for the benefit of Poland's and Romania's favorable development and of the cause of peace and socialism in the world.

Esteemed Comrades, may you and all the fraternal Romanian people register new achievements in the construction of socialist society and in the further development of the Socialist Republic of Romania.

Signed: Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the PPR State Council; Zbigniew Messner, chairman of the PPR Council of Ministers.

Leaders Cable Castro on Anniversary

AU041103 Warsaw TRYBUNA LUDU in Polish 31 Dec 87-3 Jan 88 p 2

[Text of congratulations message from PZPR First Secretary W. Jaruzelski and Premier Z. Messner to F. Castro on anniversary of Cuban revolution]

[Text] To Comrade Fidel Castro Ruz, first secretary of the PPC Central Committee and president of the State Council and the Council of Ministers of the Republic of Cuba, in Havana:

Dear Comrade Fidel Castro, on the 29th anniversary of the victory of the Cuban revolution, on behalf of the PPR supreme authorities and the Polish people we send to you, the PPC Central Committee, the State Council, the Council of Ministers, and all Cuban people our cordial greetings and heartfelt wishes for the further favorable development of your fatherland.

The historic victory of the Cuban people over Batista's hated dictatorship 29 years ago has taken your country to the road of revolutionary changes and socialist construction.

We continue to watch with profound respect Cuba's achievements, militant activities, and perseverance in promoting the cause of great changes and in implementing the Third PPC Congress resolutions.

In the present historically important stage of the development of the world situation, Cuba and other socialist community states continue to make crucial international contributions to the development of international relations. Your struggle against imperialism, neocolonialism, inequality, want, and backwardness, for a better and just world, and for a new international economic order continues to arouse our sincere admiration.

We are pleased with the comprehensively developing relations of fraternal friendship and cooperation between our peoples and states, and we are certain that these relations will continue to grow in strength in our common struggle for the victory of the great cause of peace and socialism.

Dear Comrade Fidel, on this occasion we send to you and to fraternal Cuba our wholehearted wishes for prosperity and further successes in your fatherland's development.

Signed: Army General Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the PPR State Council; Zbigniew Messner, chairman of the PPR Council of Ministers.

Dissident Interviewed by French TV Released

AU040739 Paris AFP in English
2348 GMT 3 Jan 88

[Text] Paris, Jan 4 (AFP)—Romanian dissident engineer Radu Filipescu, arrested on December 12 after taking part in a television programme on the French state-owned channel Antenne 2, has been released but still faces charges, the League for the Defence of Human Rights in Romania said here Sunday.

The Paris-based League said Mr. Filipescu, 32, was released on 26 December, but had been warned to keep silent. He had been taken from his Bucharest home, which was searched.

He had taken part in an Antenne 2 programme screened on December 10 in which fellow dissident Doina Cornea, 60, spoke of the "reign of fear" in Romania and of the unexplained "disappearances" of certain people.

She herself was arrested on November 19 in Cluj, Transylvania, and freed on December 24, although she too faces charges.

The programme was made after riots in the Romanian city of Brasov on November 15. Two militiamen were killed in the disturbances, the biggest challenge to the rule of President Nicolae Ceausescu in a decade.

The League also said Sunday that 75-year-old dissident Dumitru Mircescu, had telephoned for help recently after being beaten up by police during detention from December 12-26.

Mr Mircescu's wife fell to her death from an eighth floor window during a police search of their flat in October 1986, the League said. During Soviet leader Mikhail Gorbachev's visit to Bucharest last May Mr Mircescu was interned in a psychiatric hospital, the League added.

Several other dissidents were arrested in December, the League said, notably music teacher-turned-worker Florian Rusu, who had published in the West an essay on Romanian prison conditions, engineer Nicolae Stancescu, architect Ion Fistiok, and former dissident politician Ion Puiu.

The League also said that although the Romanian press had reported suspended jail sentences handed down to 26 workers from the Steagul Rosu (Red Flag) tractor plant, where the Brasov riots started, nothing had been said of the 370 or so others arrested after the protest.

Romanian authorities had drawn up lists of several thousand Steagul Rosu and Tractoru of Brasov workers to be sacked, the League said. The factories employ some 50,000 workers.

PLO Charge d'Affairs in Bucharest Meets Press

AU251926 Bucharest AGERPRES in English
1712 GMT 25 Dec 87

[Text] Bucharest, AGERPRES, 25/12/1987—Friday, December 25, the charge d'affaires ad-interim of the Palestine Liberation Organization to Romania, Muhammad Quraysh, had a meeting with representatives of the Romanian leading press and foreign press correspondents accredited to Bucharest, when he informed them about the situation in the Middle East and, especially, about the intensification of Israel's repressive actions against the Palestinian population in the occupied Arab territories.

SCINTEIA on Solidarity With Palestinians

AU031859 Bucharest AGERPRES in English
1711 GMT 3 Jan 88

["Solidarity with the Cause of the Palestinian People"—AGERPRE headline]

[Text] Bucharest, AGERPRES, 3/1/1988—The Romanian press marks the 23rd celebration of the Day of the Palestinian Revolution, an event to which it devotes special sections.

The entire press carries the telegram of salute and solidarity addressed on the occasion by RCP General Secretary Nicolae Ceausescu, president of Romania, to the chairman of the Executive Committee of the Palestine Liberation Organization, Yasir 'Arafat.

Under the above heading daily SCINTEIA insides an article pointing out the significance of the Day of the Palestinian Revolution and the exceptional circumstances under which this year it is being celebrated as a consequence of the intensification of the repressive actions perpetrated by the Israeli authorities in the occupied territories on the West-Bank of the Jordan and the Gaza strip. "This fact," reads the daily, "has stirred vivid concern all over the world, in Romania, too. They have been most firmly condemned by the Security Council, the resolution which this body endorsed on 23 December stressing the ever more pressing need for a peaceful, just and lasting settlement of the Arab-Israeli conflict." Then the press organ of the CC of the RCP reads:

In the spirit of its consistent policy of militant solidarity with the Arab peoples, with all the peoples fighting for freely mastering their own destinies, Socialist Romania has permanently been by the side of the just cause of the Palestinian people to which it has granted multilateral—political, diplomatic and material—support. Romania is one of the first states to have acknowledged the Palestine Liberation Organization and for several years a PLO office operates in Bucharest. Equally consistently Romania has militated for a political settlement in the Middle East, which should open the path towards fulfilling the aspirations of the Palestinian people, and first of all to

creating an independent state of their own. This principled stance was clearly reasserted from the high rostrum of the RCP National Conference, Party General Secretary Nicolae Ceausescu stating in the report he presented on the occasion that: "Romania militates firmly for solving by way of negotiations the Middle East issues, so as to reach a just and lasting peace in the region, to ensure the Palestinian people's right to selfdetermination, inclusive of setting up an independent state of their own, to ensure the independence and sovereignty of all the states in the zone. In this respect this country has spoken up firmly for organizing an international conference on the Middle East issues, under UN aegis, with the participation of all the countries interested, inclusive of the PLO and the permanent members of the Security Council."

One can say with satisfaction, SCINTEIA goes on, that the idea of calling such a conference, which Romania has been promoting consistently for such a long time, is more and more widely acknowledged today. Many heads of state and government, politicians and representatives of public opinion favour it. The need for efforts to be intensified with a view of coming to negotiations and to organizing an international conference as soon as possible is even more dramatically set forth by the latest grave developments which have further sharpened the tension in the zone.

Romania's consistent stance, her constant demarches for a general settlement of the situation in the Middle East is appreciated by the Palestinian people, by the Arab countries which view the Romanian people to be a constant, sincere and close friend. In voicing these appreciations, PLO Executive Committee Chairman Yasir 'Arafat said: "Warmest thanks to President Nicolae Ceausescu, the closest friend of the Arab nation and particularly the closest friend of the Palestinian people. We shall never forget the stance His Excellency President Nicolae Ceausescu and his people have taken on all the grave situations encountered by our people."

On the day of the Palestinian Revolution Romania reasserts her feelings of warm friendship with the Palestinian people, expressing the resolve to further grant her full support to the just struggle for the assertion of its legitimate national rights, reads in conclusion the article in SCINTEIA.

Leaders Greet Soviets on Founding of USSR

AU291828 Bucharest AGERPRES in English 1715 GMT 29 Dec 87

["Telegram"—AGERPRES headline]

[Text] Bucharest, AGERPRES, December 29, 1987—Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and Constantin Dascalescu, prime minister of the Socialist Republic of Romania, addressed the Soviet leaders Mikhail Gorbachev, Andrey Gromyko and Nikolay Ryzkov a congratulatory telegram that reads:

In behalf of the Central Committee of the Romanian Communist Party, of the State Council, of the Government of the Socialist Republic of Romania, of the Romanian people and in our own behalf, we address you, the Central Committee of the Communist Party of the Soviet Union, the Presidium of the Supreme Soviet of the USSR, the Council of Ministers of the USSR, the Soviet peoples, cordial congratulations on the 65th foundation anniversary of the Union of Soviet Socialist Republics.

We take this opportunity to express our confidence that the relations of friendship and fruitful collaboration between our parties, countries and peoples will develop continuously, in the spirit of the Romanian-Soviet summit talks and understandings.

We wish you, all working people in the Soviet Union fresh and ever bigger successes in the building of the multilaterally developed socialist society, in the implementation of the resolutions of the 27th Congress of the CPSU, in the attainment of the noble ideals of peace, security and progress in the world.

Festive Meeting Held

AU301925 Bucharest AGERPRES in English 1703 GMT 30 Dec 87

[Text] Bucharest, AGERPRES, 30/12/1987—On the 65th foundation anniversary of the Union of Soviet Socialist Republics, a festive meeting took place at the "Grivita Rosie" enterprise of chemical equipment in Bucharest.

Ioan Herdea, director of the enterprise, spoke about the significance of the celebrated event, highlighting the successes scored by the Soviet peoples in the 65 years since the foundation of the USSR in socio-economic development, in raising the living standard of the working people in the neighbour friendly country. Evoking the traditional links of friendship and collaboration between the RCP and CPSU, between the two countries and peoples, the speaker highlighted the outstanding importance of the meetings, talks and understandings between Nicolae Ceausescu, general secretary of the RCP, president of Romania, and Mikhail Gorbachev, general secretary of the CC of the CPSU, in the steady development of these relations on multiple planes, to mutual benefit, in the interests of the cause of socialist and communist construction.

Next to speak was Y.M. Tyazhelnikov, USSR ambassador in Bucharest, who featured the achievements scored by the Soviet Union in socialist and communist construction. At the same time, the speaker presented aspects of the current development of the Soviet society, the policy of peace, disarmament and collaboration

promoted by the USSR. The Soviet ambassador also emphasized the decisive role of the meetings and talks between Mikhail Gorbachev and Nicolae Ceausescu in the continuous amplification and strengthening of the Soviet-Romanian relations, to the benefit of the two countries and peoples, in the interests of the cause of socialism and peace.

Attempts To Increase Birth Rate Examined

AU041044 Vienna Television Service in German 1830 GMT 2 Jan 88

[Mathias Pongracz report]

[Excerpts] Comrade Ceausescu, Romania's leader and conducter, dreams of a great Romania led by him with his sparkling ideas. By the year 2000, he wants to have 30 million inhabitants in his country. At present, however, the population amounts to 22 million and can only just maintain this level. Since contraceptives are banned in Romania, in the past many women had abortions. In 1983, there were more abortions than births, even though abortion is strictly prohibited and doctors are sentenced to death if they repeat the offense. Therefore, only the bad physical condition of Romanian women can be used as an explanation for the low birth rate.

Since the Romanian birth rate does not increase according to the targets set by the party, the state has reacted with rigorous measures. Couples who do not have children after 1 year of marriage must pay a monthly penalty of eight percent of their income. The minimum age for marriage of Romanian women has been lowered to 15. Divorce has been made practically impossible. Unmarried people also have to pay a penalty if they are not married by their 25th birthday. Even single women are called upon to bear children, in spite of social discrimination.

Bearing children is the citizen's priority task, the authorities dictate. Each family is to have at least four children. In order to make this a reality, women up to 40 years of age are subjected every month to a forced gynecological examination at their workplace. A potential pregnancy is to be noticed as early as possible and is to be observed until the child's birth. Women incapable of child-bearing are subjected to fertility treatment.

When in the Confex Textile Factory 17,000 women were examined without warning, some of them are said to have jumped out of the window. [passage omitted]

Because of the energy crisis only one 15-watt light bulb is permitted per household and in the hospitals incubators are switched off prematurely. Doctors do no longer perform cesarean sections, because then women would no longer be able to bear the required four children. The high infant mortality is not reflected in the statistics because babies are registered only 6 months after their birth.

Ceausescu Speaks to 28 December PEC Meeting

AU291204 Bucharest AGERPRES in English 1045 GMT 29 Dec 87

[Excerpts] Bucharest, AGERPRES, 29/12/1987—Monday, 28 December, a meeting of the Executive Political Committee of the CC of the RCP was held under the chairmanship of RCP General Secretary Nicolae Ceausescu. [passage omitted]

Pointing out the need to implement the plan for 1988 under the best circumstances, RCP General Secretary Nicolae Ceausescu asked the party bodies and organizations, the ministries, the central managements and the enterprises to learn all the lessons from the way activity proceeded in the year that ends now and to take firm measures for a best organization of labour and production, for the observance, setting out from this, of the working programmes of each economic unit while ensuring rhythmical fulfillment of all the indices in the plan, from the first day of the year.

The party general secretary expressed the conviction that under the leadership of the party bodies and organizations the people working everywhere in industry, in the agriculture, in all the branches of the national economy and of the social life would do everything to fulfill exemplarily the tasks incumbent on them from the plan and programmes of economic and social development in 1988, ensuring the unswerving implementation of the resolutions endorsed by the national conference and the 13th congress of the party.

On the occasion of the new year, during the meeting, the Executive Political Committee, the Party General Secretary Nicolae Ceausescu himself addressed the county party committees, the party and state bodies and organizations, the communists, all the working people, all the people warm congratulations and wishes of new, ever greater success in 1988, in all the activity they carry out with devotion and revolutionary self-denial for the progress and thriving of the homeland, for building socialism and communism on the Romanian land.

Just the same, Nicolae Ceausescu wished the members of the Executive Political Committee success in their work in the New Year, full success in the implementation of the high responsibilities incumbent on them, in the implementation of the domestic and foreign policy of the RCP and the Romanian state.

The Executive Political Committee also solved current questions of the party and state activity.

SDUF Central Committee Holds Plenum 21 Dec

AU241940 Bucharest SCINTEIA in Romanian 22 Dec 87 p 3

[Excerpts] The Central Committee of the Socialist Democracy and Unity Front [SDUF] held a plenary meeting on Monday.

The plenary meeting—which proceeded in an atmosphere of great enthusiasm and patriotic ardor generated throughout the country by the decisions of the RCP National Conference and by the report presented on that occasion by Party Secretary General Comrade Nicolae Ceausescu—examined, in a responsible spirit, documents on the country's socioeconomic development in 1988 and the tasks incumbent upon SDUF and all its members to implement all established targets and to ensure the fatherland's unswerving progress along the road of socialism and communism. [passage omitted]

The participants endorsed the agenda documents of the plenary meeting and the measures adopted to further improve the SDUF activity, increase its contribution to implementing the tasks and guidelines established by the Party National Conference, and fulfill plan provisions for 1988 and the entire 5-year plan.

The SDUF Central Committee plenary meeting also examined draft regulations on preparing and holding accountability meetings and conferences and electing the SDUF committees. The participants unanimously elected the draft regulations submitted to discussion. They expressed the conviction that the election of SDUF committees will occasion a thorough examination of activities to date and will facilitate the adoption of measures designed to further strengthen the work of the respective organizations and mobilize all members in implementing party tasks in industry, agriculture, and all spheres of the material production and intellectual life.

In an enthusiastic atmosphere, the participants addressed a telegram to Comrade Nicolae Ceausescu, RCP secretary general, president of the SR of Romania, and chairman of the Socialist Democracy and Unity Front.

SDUF Resolution-Appeal Published

AU301914 Bucharest SCINTEIA in Romanian 23 Dec 87 p 5

["Resolution-Appeal of the National Council of the Socialist Democracy and Unity Front" endorsed by the SDUF plenary session in Bucharest 21 December—passages in boldface as published]

[Text] The National Council of the Socialist Democracy and Unity Front [SDUF] held a meeting on 21 December 1987 under the chairmanship of Comrade Nicolae Ceausescu, RCP secretary general, president of the SR of Romania, and SDUF chairman, and, with revolutionary exactingness and in the light of the decisions of particular importance adopted by the Party National Conference, discussed and unanimously endorsed the drafts of the Uniform National Plan for the Socioeconomic Development of the SR of Romania for 1988; the Plan on the Development of Agriculture, Food Industry, and Water Administration for 1988; the State Budget for 1988; and the Program for Self-Management and Self-Sufficiency to Ensure Proper Supplies of Agricultural Produce, Foodstuffs, and Industrial Consumer Goods for the People in 1988.

The participants in the plenary meeting expressed their great appreciation and complete adherence to the masterly report presented by Comrade Nicolae Ceausescu at the Party National Conference, a document making an extensive scientific analysis of the achievements of our people—under party leadership—during the years of socialist construction, of the current development stage of the Romanian society, and a document establishing thorough and clear-cut directions for action to further perfect all socioeconomic activities on the basis of the creative application of the universally valid laws of scientific socialism to the specific conditions in our country.

The plenary session of the SDUF National Council fully endorses the RCP National Conference decision that Comrade Nicolae Ceausescu's report be viewed as a work and struggle program of the party and of all our people to commendably implement the targets of the 13th RCP Congress, and to unite the efforts by all working people in the extensive work of building the comprehensively developed socialist society and our homeland's firm advance toward communism.

The report to the Party National Conference and Comrade Nicolae Ceausescu's speech to the plenary session of the SDUF National Council project clear-cut guidelines for development, the ways and means to resolutely implement the provisions of the 1988 plan, and describe the role to be played by the component organizations of SDUF in concentrating all efforts and in mobilizing the creative energy of workers, peasants, and intellectuals to commendably fulfill next year's plan provisions, to implement the decisions of the Party National Conference, and the program for building the comprehensively developed socialist society and Romania's advance toward communism.

Inspired by the deep feelings of esteem and appreciation, the participants in the plenary session express their fervent gratitude to the party secretary general and president of the republic, Comrade Nicolae Ceausescu, eminent revolutionary and enthusiastic patriot, untiring fighter for the cause of the workers class, front-ranking personality of the present-day world, and founder of the greatest achievements in the history of our people, for his decisive contribution to the formulation and substantiation of the 1988 plan and of long-term guidelines up to the end of the current 5-year plan, the implementation of which will place Romania among the ranks of the economically medium-developed countries.

With profound respect, the plenary session pays warm homage to Comrade Elena Ceausescu, eminent politician and scientist of wide international recognition, for her particular contribution to formulating and fulfilling

the plans and programs for our country's socioeconomic development, to constantly increasing the efficiency of scientific and technological research in all areas, and for her highly competent guidance of science, education, and culture.

Expressing unanimous and complete approval of the documents submitted for discussion—stemming from the tasks of historic importance put forward by the 13th RCP Congress and from the guidelines and recommendations made by the party secretary general—the SDUF National Council pledges to give a strong impetus to the activity of the mass, civic, and professional organizations, to involve all social forces in resolutely implementing the plans adopted and the program for self-management and self-sufficiency in order to constantly improve the material and cultural well-being of all our people—the supreme goal of our party's policy.

The plenary session of the SDUF National Council values the profoundly scientific and realistic nature of the provisions of the 1988 plan, which are based on the achievements of the first years of the current 5-year plan and on the material and human potential available in all branches of the national economy, thus constituting a tangible program of action for all working people as the owners and producers of the national wealth.

In the spirit of the critical assessments made by the party secretary general about the fact that numerous units and sectors of activity have failed to supply important amounts of products to society, the plenary session calls on all SDUF organizations and on its members to work with great responsibility to conclude this year's plan with the best of results and to thoroughly prepare for next year's plan, and to fulfill the overall 5-year plan under the best of conditions. It is necessary to rally all efforts to unflinchingly observe the energy and material consumption norms, to recover and reuse materials and subassemblies, so that no sector will have any problems in ensuring proper supplies for all units and commendably fulfilling the plan provisions.

As the managers of the material and financial assets and of all our country's resources, let us do all we can to ensure an intensive development of industry, the fulfillment of the programs for organizing and modernizing the production process, for increasing labor productivity, reducing material production costs, raising the technical and qualitative standard of products, and for more vigorously increasing the the economic efficiency and profitability in all areas.

As the party secretary general, Comrade Nicolae Ceausescu, demands, let us firmly apply self-management, self-administration, and self-financing, so that our democratic system of leading the socioeconomic activity and all our workers revolutionary democracy bodies, from top to bottom, will fulfill the decisive role they play in implementing the programs for our homeland's development.

We must do all we can to commendably carry out the activity of economic and scientific-technical cooperation and to implement all agreements concluded within CEMA and with the other socialist countries, with the developing countries, the developed capitalist countries, and with all states, irrespective of social system. Let us pay particular attention to the production process, to fulfilling our export tasks, and to economic exchange in general—a vital requirement for the proper development of all socioeconomic activities and for raising our homeland to new heights of progress and civilization.

The plenary session of the SDUF National Council highly assessed the unanimous desire and firm determination of all social forces in our country and of all our people to work with great responsibility to develop the forces of production even more, to improve the socioeconomic activity, implement the new targets of the scientific-technical and the new agrarian revolution to a greater extent, and to firmly assert the achievements of modern science in all sectors of the national economy.

Together with party and state county bodies and the peoples councils, all state and cooperative units must take firm action to completely fulfill the program for self-management and self-administration to ensure such supplies of agricultural produce, foodstuffs, and industrial products for the people as to optimally match the requirements for a scientific and rational nutrition.

The plenary session of the SDUF National Council highly assesses the concept of Comrade Nicolae Ceausescu, president of the SR of Romania, regarding the current international situation, the particularly serious phenomena taking place in the international economic and political situation, and regarding the ways and means to promote and consolidate a new climate favoring peace and cooperation, disarmament, primarily nuclear disarmament.

In the spirit of our general policy and of our nation's traditions, the plenary session calls on all SDUF organizations to engage with all their might in implementing the policy of peace, disarmament, primarily nuclear disarmament, and of achieving a united Europe within its diversity of social systems, the policy of cooperation with all states in the world promoted consistently and resolutely by Romania and President Nicolae Ceausescu.

Taking into consideration the serious danger that threatens the life of all peoples and their legitimate right to free and independent development, the plenary session of the SDUF National Council expresses the conviction that working people everywhere, peoples, and political leaders will work in the direction of freeing the world from the burden of armaments and of achieving a better and more just world on our planet, without any weapons and wars.

Let us do all we can to safeguard the greatest asset of humanity—peace by supporting, with all our energy, our party's and state's foreign policy based on the principles of equality of rights, national independence and sovereignty, noninterference in domestic affairs, mutual advantage, renunciation of the use or threat of force in interstate relations, and on each people's right to freely choose its development road in accordance with its own desires and aspirations.

Citizens of Socialist Romania! On the eve of the 40th anniversary of the proclamation of the Republic—the eternal aspiration of the most progressive people of our nation—and of the New Year, it is duty of honor to express profound gratitude for the untiring work of the most beloved son our nation and the excellent founder of modern Romania, Comrade Nicolae Ceausescu, to improve the standard of well-being, and the level of civilization and culture of all our people and to achieve the many-sided prosperity of the homeland in a world of peace, understanding, and cooperation.

Let us tirelessly work, with all our work and creative energy, to implement the provisions of the 1988 state plan and those of the overall 5-year plan and to constantly develop and strengthen socialist ownership on the basis of continuously increasing the national income and the national wealth and of improving the material and cultural standard of living of the working people!

Let us respond with devotion and revolutionary and patriotic spirit to the mobilizing impetus given by the masterly report presented at the Party National Conference and by the speech delivered by Comrade Nicolae Ceausescu during the plenary session; let us work with devotion and self-denial to implement the decisions on our country's socioeconomic development in 1988 and throughout the 5-year plan! Let us thus express our unshakable desire to spare no efforts and—closely united around the party and its secretary general, Comrade Nicolae Ceausescu—to raise Romania to new heights of civilization and progress, and to increase our socialist homeland's prestige in the present-day world!

Further on Speeches to Socioeconomic Council

AU021541 [Editorial Report] Bucharest SCINTEIA in Romanian on 23 December on page 2 under the headline "Plenary Meeting of the Supreme Council for Romania's Socioeconomic Development" carries 15 reports ranging between 400 and 800 words, on speeches made to the 22 December Bucharest plenary meeting of the Socioeconomic Council by full or candidate members of the RCP Central Committee. Constantin Dascalescu, prime minister of the Romanian Government, is the only PEC member whose "Summary of the Discussions in the Sections" of the plenary meeting is reported.

All the speeches, which total about 6,000 words, deal in general terms with various aspects of Romania's socioeconomic development. All the speakers praise Nicolae Ceausescu's "constant effort to insure a balanced development of all the regions of the country" and Elena Ceausescu's "outstanding contribution to drafting the documents on the party and state policy by basing the socioeconomic development on the latest scientific discoveries and technological progress."

Ion M. Nicolae, minister of chemical and petrochemical industry, says that "the tasks incumbent upon the chemical and petrochemical industry" include firm actions "to continuously use the technological progress, make better use of raw materials, and improve the quality of products."

Pavel Aron, minister of transportation and telecommunications speaks about the major objectives of his ministry, reports on the "successes attained in the first 11 months of the year" and pledges on behalf of "all the workers in the field of transportation and telecommunications to radically improve activity in 1988."

SCINTEIA also reports speeches by Neculai Ibanescu, candidate member of the PEC of the RCP Central Committee, who deals with the "requirements of the economic-financial mechanism," and Constantin Radu, member of the RCP Central Committee, who presents the importance of the uniform national plan and other plans and programs in ensuring "the comprehensive development of Romanian society."

Ceausescu Makes New Year Address

AU311111 Bucharest AGERPRES in English 0930 GMT 31 Dec 87

["The Romanian President's New Year Message"—AGERPRES headline]

[Text] Bucharest AGERPRES 31/12/1987—Dear comrades and friends, citizens of the Socialist Republic of Romania:

In 1987 the Romanian people led by our Communist Party had outstanding achievements in socioeconomic development and, despite difficult international conditions, traversed a new stage on the path of raising our homeland to new heights of progress and civilization. A substantial growth was achieved with industrial and farm output, in all spheres of activity. We also realized important investments. New production units and sociocultural establishments were made available. Remarkable achievements were scored in science, education, and cultural activities—major factors in the many-sided progress of our homeland.

The national conference of the Party surveyed the current development stage of the Romanian socialist society and worked out a far-reaching and grandiose programme of work and fight for the unswerving implementation of the Thirteenth Party Congress resolutions, of the programme of building the multilaterally developed socialist society and Romania's advance to communism.

On December 30 this year we celebrated the 40th anniversary of the overthrow of the monarchy and the proclamation of the Republic, which marked the abolition of the landlord-bourgeois system, of imperialist domination, and the transition to the building of the socialist system in Romania.

The Romanian people's great achievements in the year of socialist construction, therefore in the first two years of the Eighth Five-Year Plan period, too, strongly prove the correctness of the policy promoted by our communist party which creditably fulfils its role of leading force of the whole nation on the road of building the justest society of socialism and communism.

We end 1987 with important achievements, yet with a number of failures, too. Several socioeconomic units owe for their unfulfilments this year.

All in all, we can be satisfied at and proud of everything we achieved, including our achievements in the last two years.

For all these remarkable achievements now, when we end 1987, I warmly congratulate our heroic working class, our wonderful farmers and intellectuals, our 23-million population on behalf of the party and state leadership and on my own behalf, and wish them fresh and ever greater accomplishments in work and life, in the advance of our homeland to ever higher peaks of progress and civilization, to mankind's golden dream, to communism.

Dear comrades: We enter the new year, 1988, with clear-cut plans and programmes for our work then and over the five-year plan period just as in the long run, till the year 2000.

The national conference of the Party, the revolutionary worker democracy bodies and the Grand National Assembly approved the plans and programmes of work for 1988, set appropriate measures for the elimination of this year's shortfalls, the improvement of activity in all areas and the resolute passage to the unflinching implementation of the targets for our homeland's socioeconomic development starting with the first day of the new year.

All working people, our whole people know well the goals for next year. Now it is decisive to firmly pass on to well organizing work in all sectors, improve management and work with a high sense of revolutionary responsibility, strengthen order and discipline and do so as each one at his work place do his utmost to unswervingly fulfil all the plans and programmes which provide for the general progress of our homeland, for higher material and spiritual standards of living of our nation—the supreme aim of the party's policy, the essence of the multilaterally developed socialist society.

We must give pride of place to the fulfilment in best conditions of the plan provisions regarding electric power, development of the raw materials base, strict observance of energy and materials consumption, recovery and reuse of subassemblies and parts, and act still more firmly to cut consumption and material expenditure, to raise economic efficiency and productivity even higher.

Special attention shall have to be given to carrying through organization and modernization programmes, economic and financial norm-setting programmes, to applying self-management and self-financing in all domains. We should take still more resolute action to improve scientific research and education, to apply the latest achievements in science and technology to production, and to steadily raise the quality and the technological standards of production.

We shall have to show special concern so as to boost international relations, cooperation in production and production specialization, achieve production and export.

The implementation of the national conference resolutions, of the programmes and laws endorsed by the democratic bodies and the Grand National Assembly calls for a more powerful growth of the Party's leading role in all spheres of activity, the intensification of the political and educative work, the continuous advancement of the revolutionary conscience and the moulding of a new-type man, a purposeful builder of the new social system.

We must improve and ensure the best operation of the bodies of our revolutionary worker democracy, always starting from the fact that we build socialism with the people and for the people, that only on the basis of the broadest revolutionary worker democracy can the new system, socialism and communism be successfully built.

Dear comrades and friends, citizens of the Socialist Republic of Romania: International events of great importance took place in 1987. The arms race has continued, a number of conflicts have persisted and their scope has even grown. There were cases of harsh interference in the domestic affairs of states.

The world economic situation continues to be particularly grave. The position of the developing countries has been eroded by the policies of domination and oppression of international monopolies and financial capital. We witness the development of new forms of colonialist rule, of oppression of peoples.

However, we must show that the outgoing year has seen an intensification of the actions of the anti-imperialist, democratic, realistic forces, of the struggle of people everywhere for a new, democratic policy, for disarmament, nuclear disarmament above all, for a durable peace, for fully equal relations and respect among all the nations of the world.

The treaty that the Soviet Union and the United States of America signed to eliminate intermediate and shorter-range missiles is an historic event, an achievement of the realistic policy, of the struggle of all peoples. While assessing it as a major step, we must say, however, that there still are in the world huge nuclear arsenals that can destroy several times the whole mankind, indeed, life on our planet.

So, the fundamental question is to step up the actions for new accords to reduce strategic nuclear weapons, for an end to nuclear tests, against the militarization of space, for the complete elimination of nuclear weapons. In the nuclear era, no question is, no question can be more important than the complete removal of nuclear weapons. More than at any other times should the European countries, where a good part of the nuclear arms are located, take firm action to eliminate nuclear weapons on their continent and the world over.

At the same time we must do our best for negotiations to start in 1988 on cutting down conventional arms in Europe, eliminating chemical weapons and achieving a new balance of arms at an ever lower level.

Romania is determined to take action for the all-European conference to end in the best possible results, for the expansion of the relations among all the states of our continent, and the achievement of a united Europe whatever the social system of its nations.

We will make greater efforts and develop inter-Balkan cooperation and friendship, to create a nuclear and chemical-free zone in our region without foreign troops and military bases, for a broad cooperation in the economy, technology, science, culture and other areas.

Romania will step up its efforts for an end to military conflicts and the resolution of problems by way of negotiations, for the holding of an international Middle East conference.

Now, when the New Year is drawing near, we call on all the states and people of the world to do their utmost for this new year to mark big strides on the path of disarmament, of peace, of the negotiated settlement of conflicts, of new democratic relations set on the principles of fully equal rights, respect for the sovereignty and independence of each nation, non-interference in domestic affairs, complete renunciation of the threat and use of force.

Let us take firm action for an issue out of the serious economic situation, of the developing countries first of all, including the settlement of their debt problem. Let us pave the way for a new world economic order.

On stepping into the new year, the Socialist Republic of Romania strongly reiterates its determination to develop its relations with all the states of the world, whatever their social system, to do its best and contribute to the attainment of mankind's aspirations after disarmament, after peace, to get rid of the nuclear weapons, of the aspirations of all the nations of the world to live in freedom and independence.

Dear comrades and friends, citizens of the Socialist Republic of Romania: At the beginning of the year 1988, let us take a solemn pledge to work with a full sense of responsibility, with a revolutionary spirit for the relentless fulfillment of our country's further development plans and programmes, to have the best achievements of the on-going five-year period and to make sure that the strategic goals set by the 13th Party Congress are attained.

May the new year bring the Romanian people new successes in our country's firm advance on the path of the multilaterally developed socialist society, to the high peaks of communist civilization.

Fully confident in the correctness of our internal and international policy, in the strength of the party and in the creative abilities of the entire nation, I wish you, dear countrymen, a rewarding life and work, the fulfilment of al your wishes for the better, good health and much happiness.

A happy New Year.

Ceausescu Gives Speech to Diplomatic Corps

AU311339 Bucharest AGERPRES in English 1146 GMT 31 Dec 87

["Speech by President Nicolae Ceausescu"—AGERPRES headline—at meeting with chiefs of diplomatic missions accredited to Romania, in Bucharest 30 December]

[Text] Bucharest AGERPRES 31/12/1987—Mr Doyen of the diplomatic corps, Messrs ambassadors and Messrs representatives of the countries that have relations with Romania and are present here now:

First of all I should like to thank you for the congratulations and wishes you conveyed the Romanian people on the new year and the 40th anniversary of the proclamation of the Republic.

We end a year with certain good results in the world developments, or better said, with certain hopes that the steps made this year will continue, that action will be taken in such a way that 1988 may mark new important steps towards the elimination of nuclear arms, towards conventional disarmament and removal of the chemical arms.

We all have appreciated the fact that the Soviet Union and the United States of America signed the accord on the intermediate- and shorter-range missiles, but we all know that huge amounts of nuclear arms are still left in the world, which can destroy this planet, its life several

time. That is why we must work still more firmly for new agreements to be signed next year on the strategic arms, on halting the tests on nuclear arms and barring the actions meant to militarize the outer space. All the peoples, whatever their social system or stage of development, are vitally interested in eliminating nuclear arms, in disarmament and peace.

We—Romania, our people—are determined to do our utmost to participate actively and to make our contribution to solving all these issues.

We wish that Europe, at Vienna should achieve best results at the conference on disarmament and confidence building. Let us work in such a way that Europe may become a continent of equal collaboration, a united Europe contributing actively to solving all the complex issues, inclusive of those of underdevelopment.

We wish to develop amply the Balkan relations with a view to turning this region into a zone free of nuclear and chemical arms and foreign military bases and troops. At the same time we most strongly support the implementation of such zones in various regions of Europe and all over the world.

On an economic plane, this year the general situation has got worse, more particularly the developing countries'. Economists, various world economic organizations and institutions have made gloomy forecasts for 1988. All of them speak about a slackening of development, an aggravation of the world monetary and financial fluctuation and, consequently, about a still worser situation of the developing countries. Of course, we would like these forecasts not to come true, but we must consider these views and forecasts regarding the New Year, and in keeping with them we must work so as to diminish as much as possible the worsening of the world economic situation. There is much to be said in this respect—but it is not the case now—yet, certainly, we need a new international financial system. An end must be put

—to the financial and monetary fluctuation which in fact represents a certain policy aimed against the poorer countries, against the developing countries. Firmer measures are required as far as price stability is concerned,

—for a free international trade and for removal of various barriers about which a lot of talking is going on. But in fact more and more actions limit international trade.

Next year we should like real negotiations to begin under the United Nations Organization between the developing countries and the developed ones in order to find a global solution to these issues, based on negotiations and mutually advantageous understandings.

It should be well understood that the current situation cannot go on for a long time, the developing countries will not be able to bear for a long time the current, inequitable state of affairs which continuously leads to a worsening of the working and living conditions of two thirds of the world's population. It must be well understood that it is not possible for less than one third—better said, less than 25 per cent of the population of the globe—to have certain living conditions at the expense of the world majority. Peace, international collaboration can be achieved only by ensuring due progress and development and better living conditions to all the inhabitants of this planet.

There is a close relationship between arming—on which more than one trillion dollars are spent—and the situation of the developing countries whose the foreign debt tops one trillion dollars. As discussed in international organisms and at special conferences this year, there is a close link between development and disarmament problems, and we must work for an appropriate solution to them.

I referred to all this because I wish to stress that Socialist Romania, the Romanian people are determined to do everything in their power next year, too, for the consolidation of the developing countries' solidarity, for real negotiations and, at least, for a beginning in the resolution of the very serious problems of underdevelopment and the building of a new world economic order.

We are preoccupied that an end should be put to all actions of interference in the affairs of other states, that there should be unflinchingly observed the independence and sovereignty of each nation, the right of each people to free development, according to its wish, free from any foreign interference.

There are serious problems but we are convinced—also taking certain achievements of this year as a basis—that the peoples, the realistic forces have the due might to determine a new policy, a new thinking in order that a passage may be made to solving the complex issues in a democratic way, with the participation of all the states in the world, irrespective of size or social system.

We are for a still greater role of the United Nations Organization, of other international bodies. We firmly speak up for a solution to the litigious issues exclusively by way of negotiations. We support an international conference on Middle East questions and believe it is high time that such a conference were organized, and that it can be organized. The Palestinians must be ensured the right to self-determiantion, inclusive of the right to independent statehood. Repressive measures and any other measure of the kind lead not to solutions but quite the contrary, make them more difficult and pose new barriers in the of a lasting and just peace in the Middle East.

We support a halt in the Iran-Iraq war and adequately solving the Gulf issues, and halting the military actions. We believe that it is in the interest of both countries and peoples that they should stay at the negotiating table,

should work in the spirit of the Security Council resolution on this issue. By and large Romania speaks for solving all conflicts and litigious issues exclusively by way of negotiations.

We should like to wish that next year mark new steps toward a negotiated solution to some of these difficult problems, which will greatly contribute to the confidence and detente policy, and give a fresh impetus to the disarmament policy.

As for the situation in Romania, you have been living here, you know both our preoccupations, what is good and that is wrong with us. [sentence as received] As a matter of fact, in the last few weeks we have debated at length these matters in our democratic bodies, starting with the National Conference of the Party and ending with the Grand National Assembly. That is why I am not referring to all this. We have both a number of fine results and difficulties and shortfalls. Nevertheless, we enter into the New Year firmly convinced that we must work better and achieve still better results in our socio-economic development, in the rise of the people's material and spiritual standards of living.

We know that our achievements, each country's are a contribution to general development and to the cause of progress and peace, of disarmament included. That is why, in harmony with our general policy, we will do our best, both in our home and in our international policy, to help establish better relations among all nations, build a better and more just world.

I should like once again to thank you, Messrs Ambassadors and diplomatic representatives, for your wishes for the Romanian people, for the wishes conveyed by our state and government leaders, and ask you to address on behalf of the Romanian people and on our behalf the best wishes of prosperity, welfare and peace to the peoples in your countries.

I should like you to convey all the heads of state and government my salute and the best wishes of success in their activity.

I wish you a New Year with ever better results in your future activity for the development of relations between our countries.

I wish you much happiness and a happy New Year.

Youth Send New Year Greeting to Ceausescu

AU291529 Bucharest AGERPRES in English 1442 GMT 29 Dec 87

["New Year Greetings Addressed by the Country's Youth to Romanian Leaders"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 29/12/987—The country's youth addressed New Year greetings to President Nicolae Ceausescu of Romania and Mme Elena Ceausescu during the traditional little plough celebrations.

This event, held on December 29, in front of the CC of RCP's headquarters, was attended by full and alternate members of the Executive Political Committee of the CC of RCP, secretaries of the party Central Committee. Attending were also representatives of the Union of Communist Youth, Council of Union of Communist Student Associations of Romania, National Council of the Young Pioneer Organization, as well as numerous people working in the capital.

President Nicolae Ceausescu, Mme Elena Ceausescu and the other party and state leaders answered most warmly and lovingly the children's wishes.

Nicolae Ceausescu addressed the audience. The address was followed with keen interest and repeatedly punctuated with strong applause.

President Nicolae Ceausescu and Elena Ceausescu were photographed among the carol singers.

As usual, the young carol singers were invited to the headquarters of the Party Central Committee and were given New Year presents.

Elena Ceausescu's Address at Solemn Session

AU301445 Bucharest SCINTEIA in Romanian 25 Dec 87 pp 1, 3

["Speech by Elena Ceausescu," first deputy prime minister of the government, at the solemn session marking the 40th anniversary of the proclamation of the republic, held in Bucharest on 24 December]

[Text] Esteemed comrades: On 30 December, this year we are celebrating the 40th anniversary of the proclamation of the republic—an event of particular significance in our national history and in the struggle waged by the Romanian people to achieve their centuries-old aspiration to live in a free and independent homeland and to fully master their destiny. (applause)

On this great holiday of the republic, I want to convey, on behalf of our party and state leadership and of the party secretary general and president of Romania, warmest congratulations and wishes to the deputies and guests at this solemn session of the Grand National Assembly, as well as to all working people in our homeland and to all our people who, through their work full of heroism and devotion are proudly building—under the sun of our freedom—the great edifice of Socialist Romania. (loud applause, cheers; chants of "Ceausescu—RCP!" and "Ceausescu and the people!")

We are celebrating the 40th anniversary of the republic firmly determined to resolutely implement the targets of historic importance put forward by the Party National Conference, the theses and guidelines included in the masterly report presented by the party secretary general on improving the improvement of the organizational framework and leadership of the Romanian society and

all aspects of the socioeconomic activity, and on continuing, at a higher level, of the revolutionary process of building the comprehensively developed socialist society and Romania's advance toward communism.

Esteemed comrades, the removal of the monarchy and the proclamation of the republic were the result of the long-standing struggle waged by the Romanian people and by their progressive and advanced forces for social and national liberation, for independence, and the free assertion of their national existence; they were the result of the great class and revolutionary struggles organized and led by the RCP against bourgeois-landlord exploitation and oppression, for safeguarding democratic rights and freedoms, and for achieving our nation's centuries-old ideals and aspiration to live in a free, independent, and sovereign homeland. (applause)

The aspiration for a democratic republic of freedom and justice enabling the people to fully master their destiny and build their future as they desire has always inspired—throughout history—the process of asserting our national existence. The idea of a republic was given pride of place in the program of the 1948-1949 bourgeois-democratic revolution. It stipulated, among other things, the need to establish a republican, democratic state that would grant basic rights to all citizens and would ensure the country's progress and modernization, and the affirmation of the Romanian nation among the ranks of the European nations.

The unification in 1859 of the Romanian Principalities and the creation of the united nation state widely opened the road to achieving this dear aspiration of the Romanian people. The steps taken by Alexandru Ioan Cuza [the first ruler of the United Romanian Principalities 1859-1862] on applying the application of a comprehensive program for democratic reforms—including land reform, secularization of monastic property, and educational reform—led to great discontent among big landowners and the exploiting classes of that time, who felt that their positions and class privileges were threatened and who did all they could to remove the Romanian ruler from the country's helm. The bourgeois-landlord reactionary circles, together with German imperialism, brought a foreign king to our country, without any bonds with our people, their life, and their aspirations. The establishment of the monarchy strengthened the power of big landowners, of the exploiting classes, and opened the road to the penetration of foreign capital into our country, which took possession of and exploited our country's riches and the work of the Romanian people, thereby making Romania dependent on the great imperialist monopolies. Under these conditions, the struggle of the people's masses against exploitation and social and national oppression became increasingly blended with the struggle against the monarchy and the regime it represented.

The powerful republican and anti-monarchy movement that developed in our country reached a higher form when the workers class and the workers socialist movement emerged and asserted themselves at the end of the last century. The struggle for establishing a republic was laid down in the first program of the Workers Social-Democratic Party in Romania in 1893 and asserted itself more vigorously at the end of World War I when, through the unanimous determination of the entire Romanian nation, the united nation state was achieved.

The creation of the RCP in 1921—an event of historic significance in the life of our nation—marked the continuation, at a higher level, of the rich republican traditions of the workers revolutionary and democratic movement in our country. The RCP was the only consistently revolutionary political force in our country that succeeded in giving concrete shape to the idea of a republic. Under the guidance and leadership of the Communists, the anti-monarchy struggle became part and parcel of the general struggle waged by workers, peasants, progressive intellectuals, and by all our people to remove the bourgeois-landlord regime of exploitation and oppression, against fascism and war, and for safeguarding democratic rights and freedoms, and Romania's independence and integrity. (applause)

In the years of the military-fascist dictatorship and the Hitlerite war, the RCP—acting under the difficult conditions of illegality, war, and fascist terrorism—was constantly at the helm of the Romanian people's struggle for freedom and national independence, for overthrowing the old system, and developing Romania on the new road to progress, freedom, and peace.

The victory of the anti-imperialist and antifascist revolution for the social and national liberation of 23 August 1944—organized and carried out under RCP leadership—opened the road to great social reforms and revolutionary transformations in our country. This made the most reactionary forces of the bourgeoisie and landowners rally around the monarchy in an attempt to oppose the revolutionary process and preserve their privileges. Under such conditions, it was an objective requirement to overthrow the monarchy on 30 December 1947 and to proclaim the republic. (applause)

The establishment of the republic was thereby an excellent crowning of the struggles waged by the Romanian people and their progressive forces for freedom and independence and for free assertion, social progress, and a better life.

As the party secretary general stressed in his report to the Party National Conference, the removal of the monarchy, which symbolized the imperialist and bourgeois-landlord domination, and the proclamation of the republic, the centuries-old aspirations of the Romanian people, marked a new stage in the history of our homeland and the transition to building the socialist system in Romania.

The establishment of the republic unfettered the creative energy of our people who, under RCP leadership, firmly embarked upon the road of forging great revolutionary transformations in all socioeconomic areas and of carrying out the socialist revolution and construction in our homeland.

On the anniversary of the republic, we pay warm homage to all our predecessors, to the heroic struggle waged by the people's masses and the progressive forces of the Romanian people for the cause of the homeland's freedom and independence, for achieving the great ideals of social and national justice, and for the progress and prosperity of our whole country.

On this occasion, we also want to pay great homage to our heroic and glorious communist party that has always carried high the banner of struggle against oppression and exploitation, for safeguarding the supreme interests of our people and Romania's independence and sovereignty, for the definitive victory of the new social relations, and the establishment of the most just and humane system ever known to humanity—socialism—in our homeland. (loud applause, cheers)

Esteemed comrades, in the years that have elapsed since the victory of the revolution for social and national liberation and the establishment of the republic, Romania traversed several historic stages, it successfully covered the road from capitalism to socialism, from the old system, based on exploitation and oppression, to the new system of social justice in which exploitation and oppression and economic, social, and national inequalities were eliminated for good and all, and in which full freedom and equality among all working people were ensured.

From a poorly developed country, Romania turned into an agrarian-industrial country with a modern industry organized on the basis of the most modern achievements of science and technology, a socialist agriculture in full progress, with a vigorously developed science, education, and culture, and a constantly higher material and cultural standard of living.

The great achievements attained thus far in this period clearly demonstrate the correctness of the road we have travelled and the realism and profoundly scientific nature of the policy promoted by our party, which, moving from the revolutionary concept of dialectical and historic materialism and from the realities and objective requirements of the Romanian society, has taken firm action to creatively apply the universally valid laws and truths of scientific socialism to the specific conditions in our homeland. On this basis we have ensured the vigorous development of the forces of production, the socialist transformation of agriculture, the constant progress of science and culture, and an increase in the economic and social potential of our whole country.

In this period all branches of the national economy and our country's overall socioeconomic activity developed vigorously. In only 3 days, Romania achieves the overall industrial production of 1945. The country's agricultural yields have increased almost nine times over, transportation has vigorously developed, as have construction work and all sectors of the national economy, and the potential of our whole country has increased with every passing year. On this basis, the national income increased about 33 times over and the country's national wealth almost 20 times over.

During the years of the republic and especially in the years of the past 5-year plans, science and education—areas of the greatest significance for our country's comprehensive progress and for the successful construction of the new system in our country—developed vigorously.

In this whole period of profound socialist changes initiated more than 40 years ago, of decisive importance was the era opened by the Ninth RCP Congress during which we traveled along a road of excellent socialist achievements in all socioeconomic areas that have basically changed the image of Socialist Romania and the life of our whole nation. (loud, prolonged applause, cheers)

Today we look with great pride at our country's powerful industrial strongholds, at the fields yielding increasingly larger crops, and at the wonderful housing constructions and sociocultural establishments built throughout these years in our capital, in all counties, and in all cities throughout the country. A special achievement of these years is the balanced socioeconomic development of all areas in our country through the construction of about 180 new industrial complexes, thus ensuring increasingly better working and living conditions for the residents of all counties and for all citizens in our socialist homeland.

At the same time, our socialist state strengthened constantly, all activities of organizing and leading the society on a scientific basis improved, and workers revolutionary democracy developed vigorously. On the initiative and under the direct guidance of the party secretary general, a broad democratic framework was created to ensure the effective and direct participation of the working people and of all our people in the leadership of all areas in our society. (loud applause)

Along with the development of the forces of production and a vigorous increase in industrial and agricultural output, and along with an increase in the national income, the necessary conditions were created to implement the party's policy of constantly improving the material and cultural standard of living of all our people. In the years of socialist construction, real incomes of the workers, peasants, and of all working people increased and important steps and actions of a social nature were taken to ensure increasingly better conditions at work and in life for the whole nation.

We can justifiably say that, throughout this period, our party honorably fulfilled its historic mission of leading the whole nation on the road to building a new, free, and prosperous life and on the road to successfully building socialism and communism in Romania. (loud, prolonged applause, cheers; chants of "Ceausescu-RCP!")

All the great victories won in the years of the republic are the result of the heroic and very devoted work performed by our people who, with great confidence, are following the policy promoted by the RCP—a policy which is fully in keeping with the basic interests in progress and well-being of our whole nation. (loud applause)

For the historic achievement in the socialist development of our homeland throughout these years, from the rostrum of the solemn session of the Grand National Assembly, I want to convey warmest congratulations, on behalf of the party secretary general and president of the republic, Comrade Nicolae Ceausescu, and on behalf of the party and state leadership, to the workers, peasantry, intellectuals, and to our diligent and talented people, and to wish them increasingly greater achievements in fulfilling the plans and programs for our country's socioeconomic development aimed at the constant progress and prosperity of our socialist homeland, and in resolutely implementing the party program for building the comprehensively developed socialist society and Romania's advance toward communism. (prolonged applause, cheers; chants of "Our esteem and pride: Ceausescu-Romania!")

Esteemed comrades, all our people are welcoming the 40th anniversary of the proclamation of the republic with important achievements on the road to implementing the provisions of the current 5-year plan and the decisions adopted by the 13th RCP Congress. In the first years of the current 1986-90 5-year plan, a 10-percent increase in the industrial commodity production and a 20-percent increase in agricultural yields was achieved. Some 450 new production capacities were built and put into operation and important achievements were attained in the other areas of the economy. Despite all this, we must say frankly, within this framework, that this year's plan provisions have not been completely implemented and that there are serious shortfalls in numerous areas. The Party national conference examined at length the current stage of our country's socioeconomic development and put forward the necessary measures to eliminate shortfalls and improve all activities so as to fulfill the 1988 plan and the overall 5-year plan under the best of conditions and so as to resolutely implement the 13th RCP Congress decisions.

We have a broad program established by the Party National Conference and clear work targets for all our activities in 1988 and throughout the 5-year plan. The targets and provisions of the uniform national development plan for 1988, those of next year's state budget, and of the program for self-management and self-sufficiency have been widely discussed and adopted by all our workers revolutionary democracy bodies, during the current Grand National Assembly session.

The wide democratic discussion of the plans and programs for 1988 clearly show that we have everything that is necessary to implement them. We have a good material-technical base and, above all, we have an important force made up of the working people and all our people who, closely united around the party, are determined to do all they can to resolutely implement the decisions adopted by the party congress and National Conference. What is decisive now is to move to practical work, to act with all our forces to resolutely fulfill the plans and programs for socioeconomic development to ensure our homeland's progress and our country's elevation to new heights of civilization and progress. (loud applause)

It is necessary to move with great determination to implementing the measures to smoothly fulfill the 1988 plan tasks from the very first days of next year; to focus our efforts on the priority targets of the current 5-year plan and on implementing the programs for organizing and modernizing the production process and for fulfilling all plan indicators.

Let us resolutely act in a high revolutionary spirit and with a sense of responsibility, order, and discipline to completely fulfill the item-specified production plan at all varieties; let us constantly give priority to primarily fulfilling the export production plan and to increasing the quality and competitiveness of of all Romanian products in foreign markets. We must see to it that in the years to come we will also make up for a part of the shortfalls of the year we are concluding. Let us take appropriate steps to use all production capacities with maximum efficiency, to increase labor productivity in all areas of the national economy, to reduce raw material and energy consumption, and to improve the technical standard and quality of products. Let us strive to achieve the best of results in fulfilling the 1988 plans and programs we have adopted! The year 1988 must become a decisive year for the complete and commendable implementation of the targets of the Eighth 5-Year Plan in industry, agriculture, and in all areas!

Special attention must be paid to foreign trade, to production sharing and specialization within CEMA, with all socialist countries, with the developing countries, and with the developed capitalist countries. The fulfillment of the production and export plan must be the focus of the concerns of all enterprises, central departments, and economic ministries. We must constantly bear in mind that the foreign trade activity is an element of essential importance for the development of the national economy in general and for the sustained progress of our country.

The decisive stage we are going through, which has been scientifically defined by the party secretary general as a higher stage of building the comprehensively developed

socialist society, objectively requires an improvement in the activity of all party and state bodies and organizations, of all workers revolutionary democracy bodies, and it requires a constant improvement in our work style and methods, so that these organizations may commendably play their role and fulfill their responsibilities in our society and in implementing the plan and programs for our homeland's socialist development.

While making complete use of the broad democratic framework, which ensures the direct participation of the working people in the leadership of all areas, let us work with greater determination to properly manage and develop the socialist wealth and to constantly strengthen socialist state and cooperative ownership—the basis for the comprehensive progress of our society. Let us consistently apply the principles of the new economic-financial mechanism, of self-management, self-administration, and self-financing, and let us thereby achieve a higher efficiency in all areas and a more vigorous increase in the national income.

It is necessary to properly understand that increasing the national income, efficiency, and profitability of all economic activities constitutes a sure basis for successfully implementing the program for our homeland's development in general and the measures put forward by the Party National Conference to increase—in the current 5-year plan—the working people's incomes, and further improving the standard of living of all our people.

Moving from the fact that socialism and communism are being built on the basis of the most modern achievements of science and technology and of human knowledge in general, we must continue to concern ourselves in a more sustained way with developing research work, with effectively and efficiently solving—on the basis of scientific research—the various problems raised by the promotion of technical progress throughout the economy, the scientific-technical revolution, and the new agrarian revolution in our country.

Along with this we have to intensify our activity of raising the standard of professional training of all cadres and of constantly widening their horizon of scientific, technical, and cultural knowledge. The high technical standard of our industry, agriculture, and our entire national economy requires well-trained cadres of workers, technicians, and specialists in all areas of the socioeconomic activity, cadres who are able to thoroughly master the new technology and to develop and improve it.

At the same time, we have to carry out intensive political-educational activity to develop socialist awareness, to ensure the patriotic and revolutionary education of cadres, to cultivate their love for and adherence to the country, the party, and people, and their devotion to the cause of socialism; we must employ all political, educational, and cultural possibilities in our society to mold a new man with lofty morals and a progressive attitude toward work and society, and toward the general interests of our people. (loud applause)

In response to the inspiring calls launched by the party secretary general from the rostrum of the Party national conference, let us work with determination—in industry, agriculture, construction, transportation, and in all areas—to commendably implement the targets set by the party and fulfill the plans and programs we have adopted to ensure our homeland's socioeconomic development and to successfully implement the program for building the comprehensively developed socialist society and for Romania's advance toward communism! (enthusiastic, prolonged applause; chants of "Ceausescu-RCP!")

Esteemed comrades, proceeding from the interdependence of the domestic and foreign policy, Romania attaches great importance to developing its relations with all states, irrespective of social system. It actively participates in the international activity and in efforts to constructively solve the problems of the present-day world, in the belief that solely under conditions of peace and broad cooperation will nations and our people—as in fact all peoples in the world—be able to firmly concentrate their efforts on ensuring socioeconomic progress, achieving well-being, and on strengthening national independence and sovereignty.

In this spirit, we constantly strengthen cooperation with all socialist countries, with the developing countries, and with all states in the world, irrespective of their social system. We firmly advocate and struggle in a sustained way to promote in our relations with all countries in the world the principles of full equality of rights, national independence and sovereignty, noninterference in domestic affairs and mutual advantage, respect for each people's right to forge its destiny independently, and to freely choose its road for socioeconomic development in keeping with its own desires and aspirations. (applause)

Romania believes that the international situation continues to be particularly serious and complex as a result of the arms race, of the persistence and even escalation of conflicts and tension in various parts of the world, and as a result of the world economic crisis, which has especially brought about a deterioration in the economic situation of the developing countries. Contradictions between various states and groups of states are developing. Within this framework, the contradiction between rich and poor countries is intensifying in particular, thus turning into the greatest contradiction of our time.

Under these international circumstances, our country believes that it is more necessary than ever to strengthen cooperation and solidarity among all peoples, democratic and realistic forces who favor a new policy, disarmament, and peace in order to halt the dangerous trend

of international events, to rule out war from the life of mankind, and to safeguard the supreme right of all peoples and nations to a free and dignified existence, to life, and peace.

Given the existence of huge arsenals of nuclear weapons and other weapons of mass destruction, it is imperatively necessary to understand and approach the problems of war and peace in a new way, which should proceed from the fact that a new world war—which would inevitably employ nuclear weapons—cannot even be considered because it would actually destroy the whole of mankind, life, and our civilization. Therefore, we believe that the basic problem of our time is to halt the arms race, primarily the nuclear arms race, and to move on to tangible steps to eliminate the nuclear threat.

In this spirit, Romania has spoken out and consistently advocates the elimination of nuclear weapons, their complete elimination. The signing of the Soviet-American treaty on the elimination of medium- and shorter-range missiles is an event of historic importance and it is a victory of realistic thinking, of the struggle of peoples and progressive forces everywhere, who have spoken out for and firmly advocate disarmament and the renunciation of nuclear weapons. However, taking into consideration that after the elimination of the medium-range missiles, a tremendous number of nuclear weapons still exist, it is necessary to continue to intensify the struggle of peoples and of world public opinion in order to make new steps forward on the road to nuclear and conventional disarmament, achieve appropriate understandings on reducing strategic weapons, halt nuclear testing, renounce programs for the militarization of outer space, and in order to firmly proceed along the road to completely eliminating nuclear weapons. In this sense, particular responsibility rests on all countries and peoples in Europe—where huge amounts of nuclear weapons are concentrated—who have to take united and more determined action to completely eliminate nuclear weapons and any weapons of mass destruction.

Romania also advocates the elimination of chemical weapons, a radical cut in conventional weapons, troops, and military expenditures, and the achievement of a military balance at the lowest level of armaments. We believe that it is more than ever necessary for all states to move on to concrete actions to cut weapons and military expenditures, and to see to it that the tremendous financial and material means that are spent for armaments today—and which amount to the huge sum of more than $1,000 billion—are used for the socioeconomic development of the developing countries and for solving certain social problems such as eliminating unemployment, malnutrition, illiteracy, and other such serious problems of the present-day world. (applause)

Our country is actively participating in the Vienna conference and is working to conclude it with positive results so as to ensure the concrete steps forward on the road to disarmament, the development of economic, scientific, and technical cooperation, and the strengthening of cooperation among all states on our continent. For this purpose, we believe that efforts and actions must be intensified to achieve a united Europe within its diversity of social systems, a Europe of peace and disarmament, and of trust and cooperation among nations.

Romania struggles in a sustained way to turn the Balkans into an area of good-neighborliness, peace and cooperation, without nuclear and chemical weapons and without foreign military troops and bases. We also advocate the achievement of a nuclear- and chemical-weapons-free zone in northern and central Europe, and in other parts of the world.

We firmly advocate the elimination of the policy of the use or threat of force, the cessation of all military conflicts in various parts of the world, and the solution of any kind of disputes between states solely by peaceful means and negotiations. In this spirit, our country is for an international conference on Middle East issues with the participation of all states concerned, including the PLO as the only legitimate representative of the Palestinian people. We are for a political solution, as soon as possible, of the Middle East problems on the basis of Israel's withdrawal from the occupied Arab territories to ensure the Palestinian right to self-determination, including the right to creating their own independent state, and to safeguarding the independence and sovereignty of all states in that area.

Our country advocates the cessation of the war between Iran and Iraq and—in the spirit of the UN Security Council resolution—a move to solving the problems between the two countries by negotiations. We are concerned about the situation in the Gulf and we believe that all foreign military ships should withdraw and that free navigation should be ensured in that area as, in fact, in all seas and oceans in the world.

In the same spirit, Romania favors and struggles actively to resolve all conflicts and states of tension in various parts of the world—in Africa, Asia, and Latin America—by peaceful means and, in this respect, it favors negotiations between states in a spirit of equality and mutual respect.

Within the framework of its general policy, Romania has supported and continues to broadly support the struggle for the free and sovereign assertion of peoples, for social liberation, and for the consolidation of their national independence. We are in active solidarity with the struggle waged by the Namibian people, under SWAPO [South West African People's Organization] leadership, for winning Namibia's independence, we firmly oppose the policy of apartheid practiced by South Africa, and we are for a halt to the aggressive actions of that country against neighboring African states.

Moving from the serious economic situation that affects all peoples and countries in the world, and especially the developing countries, Romania advocates and determinedly struggles to ensure a global solution to the problems of underdevelopment and the establishment of new economic relations based on full equality of rights and equity between states. For this purpose, our country believes that it is necessary to organize an international conference under UN aegis that should be attended, on an equal footing, by all developing countries and by the developed countries in order to arrive at mutually acceptable solutions, including the problem of the particularly high foreign debts of the developing countries, so as to pave the way for overcoming the current serious problems of the world economic situation and to establish a new international economic order.

Although the international situation is serious, we are convinced that there are powerful forces in the world which, through united action, are able to change the trend of events and ensure the triumph of the policy of reason, of cooperation, independence, disarmament, and peace. (applause)

From the rostrum of the solemn session of the Grand National Assembly, we reaffirm Romania's resolute determination to continue to cooperate, in the closest way possible, with all countries and nations in the world, with the progressive forces everywhere, and to make its full contribution to the more vigorous assertion of the policy of peace and cooperation, of disarmament and security, and its contribution to the achievement of a better and more just world in which each nation may build a life of well-being and happiness in complete freedom and in which it may live in peace and cooperation! (prolonged applause; chants of "Ceausescu-Romania: peace and friendship!")

Esteemed comrades, expressing our patriotic pride and our satisfaction with the achievements of our homeland during the years of socialist construction, let all of us welcome the New Year with the firm determination to use all our efforts and work energy to commendably implement the decisions of the Party National Conference and to fulfill the plans and programs for socioeconomic development of our homeland, which we adopted within our workers revolutionary democracy forums, and at the current Grand National Assembly session; let us do all we can to resolutely implement the program for building the comprehensively developed socialist society and Romania's advance toward communism. (prolonged applause) Let us work with great responsibility and in a revolutionary spirit to raise our socialist homeland to greater and greater heights of civilization, well-being, and progress! (prolonged applause)

Let us solemnly pledge that in all our activities and with all our efforts we will serve the cause of the party and socialism, the cause of our wonderful people, and Romania's independence and sovereignty!

On the eve of the New Year, I want to extend, on behalf of the party and state leadership and the party secretary general and president of the republic, warm congratulations to the deputies, guests, and all our people, as well as wishes for increasingly greater achievements in their activities in the new year!

Many happy returns!

(enthusiastic applause, loud cheers; the audience give long-standing ovations to the party and its secretary general, Comrade Nicolae Ceausescu, to our wonderful people, and to our socialist homeland. The participants chant enthusiastically "Ceausescu-RCP!" "Ceausescu and the people!" and "Our esteem and pride: Ceausescu-Romania!" "Ceausescu-peace!" and "Ceausescu-many happy returns!")

Mikulic 'Recovering,' Still Hospitalized

AU021811 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 2 Jan 87

[Text] Here is a piece of news that will undoubtedly attract public attention, and not only at home. It is connected with the health of FEC President Branko Mikulic.

As we unofficially learned shortly before the beginning of this cast, Branko Mikulic is recovering and no longer has a fever. He is still at the Military Medical Academy under doctors' care. We have also unofficially learned that the council of doctors will issue an official bulletin tomorrow.

This bulletin, and the report we have carried, will undoubtedly be welcome, because, since the meager report last Wednesday that the FEC president was admitted to the Military Medical Academy with a high fever, there has been no information about him.

Recovery Termed 'Noteworthy'

LD040835 Belgrade TANJUG Domestic Service in Serbo-Croatian 0734 GMT 4 Jan 88

[Text] Belgrade, 4 Jan (TANJUG)—Following an acute infection, FEC President Branko Mikulic's health is good. As reported by the management of the Military Medical Academy in Belgrade, the council of doctors decided to continue the treatment that had been started and the recovery has been noteworthy.

Rosic Report on SFRY Constitution Amendments

LD292335 Belgrade TANJUG Domestic Service in Serbo-Croatian 0537 GMT 29 Dec 87

[Excerpts] Belgrade, 29 Dec (TANJUG)—The ideopolitical basis of the constitutional changes was set out at the 13th LCY Congress. We wish by the changes to ensure the continuity of our revolutionary development. In doing this, we start from the generally accepted social orientation to implement even more consistently and fully the basic principles of the SFRY Constitution, because it reflects the bases of our society and the long-term goals of our socialist self-managing development, Marjan Rozic, president of the SFRY Assembly, stressed at today's session of the Federal Chamber in his report in connection with the establishment of the draft amendments to the SFRY Constitution.

The creation of conditions for the improvement of socialist self-management and the securing of a stable, more meaningful and richer economic and overall social life are the basic aim of these changes. They are also one of the vital conditions for the more rapid emergence from the current economic and social crisis.

The changes are designed primarily to facilitate the more rapid development of production forces and socialist self-managing production relations, that is, the realization of the dominating position of the working class and all working people in society; the fuller implementation of the system of associated labor; respect for market and other economic laws; ensuring the operation of a united Yugoslav market; the more consistent implementation of constitutionality and legality, accompanied by the reduction in overall normativism in society—these are significant goals that we wish to achieve by constitutional changes. The changes should facilitate the more rational and efficient functioning of the institutions of the socioeconomic and political system. These are, in any case, the irreplaceable preconditions for material and cultural prosperity, the further strengthening of the equality of the nations and nationalities, and the cohesion and independence of our federal community.

In a very democratic and working atmosphere in the constitutional commission, all the important constitutional-legal questions and the methods for finding solutions have been given comprehensive and constructive consideration, and, at the same time, respect has been paid to different viewpoints and the democratic coordination of stances, Rozic stressed. Thus even in this phase of the work on the changes to the SFRY Constitution, some of the more important differences have been overcome and a high degree of agreement has been achieved. [passage omitted]

It should be particularly stressed that all the working bodies of the SFRY Assembly supported the text of the draft amendments. At the same time, there were a large number of objections, proposals and suggestions, which are not accepted in this phase, taken into account and given comprehensive consideration during the preparation of the draft amendments to the SFRY Constitution. It was also concluded that specific questions and proposals of working bodies be investigated separately during the public debate on the draft amendments. This concerns especially the functioning of the financial system as a whole; some questions of the character of social ownership; investments by foreign persons; the amount of the increase in the maximum amount of [privately owned] land; extra income; the conception of the conference of Yugoslav self-managers; the formation of a chamber of associated labor in the SFRY Assembly; the implementation of the joint responsibility of members of the SFRY Presidency; and the establishment and implementation of our foreign policy. [passage omitted]

To ensure a more consistent and comprehensive implementation of the constitutional principle according to which labor "is the sole criterion for controlling the product of social labor and managing socially owned means" and to enhance the functioning of the united Yugoslav market in market economy, a provision has been proposed to introduce a category of extra income. It is that part of total revenue arising not from increased productivity, the use of new technology, innovation or

other labor-created values but from the monopolist status and behavior. This part of revenue would be used via the federal budget for satisfying common interests.

The changes are also expected to result in increased responsibility for performing work duties, managing and self-managing subjects in the social sector. [passage omitted]

In the sphere of the pooling of resources a specific constitutional-legal mechanism, that is, "joint investment" was proposed. It has to become a dominant form of the pooling of labor with the view of joint efforts in fulfilling plans and programs. The work on such undertakings will be managed on an equal footing and jointly, the benefits shared and joint risks taken.

This would be a guarantee that socially owned means are used in an economical way. [passage omitted]

The role is defined in greater detail of the basic organization as a part of a work organization and the principal unit of associated labor. At the same time, the work organization is promoted as the main proponent of the right to and duties toward socially owned means, as an economic entity and the main factor in the market economy.

The aim is to ensure that the amendments include as many provisions as possible to ensure economic subjects' greater independence from sociopolitical communities and to reduce normativism in the sphere of self-management and associated labor. Strict conditions are envisaged for founding a work organization by a sociopolitical community. However, simpler terms of founding and organizing labor relations are envisaged for smaller organizations of associated labor, in particular small businesses, cooperatives, etc. [passage omitted]

The changes will enable the banks to become independent, self-managing financial organizations and at the same time market-oriented, independent, self-managing subjects directly responsible for the outcome of the ways financial resources are used, invested, and allowed to circulate, and also for their business, investments, and other decisions. In the same way, the banks should free themselves from the strong outside influence of political and state structures for management decisions. [passage omitted]

The principal aim of the changes in the sphere of self-managing communities of interests is to provide further scope for: strengthening the self-managing status of the main subjects in the free exchange of labor in the health service, education, science, culture, and social welfare services; removing semifiscal relations in securing funds for joint expenditure; promoting economic and market laws in these spheres of public expenditure, and rationalizing the entire system of self-managing communities of interests.

There is also a need for a more adequate definition of the role of the sociopolitical communities, especially the federation, in the planning system. Efforts are being made to reduce direct influence by the sociopolitical communities on associated labor organizations and other self-managing organizations and communities in the planning process. It will also be possible to achieve necessary coordination between social plans at all levels in sociopolitical communities, in particular, between the republican and provincial plans and Yugoslav social plan.

The sociopolitical communities' role in the planning process is being reduced to just providing encouragement and guidelines through the economic policy measures in implementing adopted development policy. The all-embracing obligation to coordinate plans between associated labor organizations is being abandoned. [passage omitted]

The essence of changes in the area of the political system is in making it more democratic, efficient, and at the same time more flexible and open for new contents and dimensions of socialist democracy, Rozic then stressed. [passage omitted]

Significant are the changes that strengthen the role of the workers' council, extend its scope of activity and role in managing labor and the business activity of associated labor organizations. Also, conditions are being created for more successful carrying out of the management function as an integral part of the self-managing system of decision making.

The aim of the changes is the further democratization of relations and practice at all levels of decision making. This can be achieved by decisions on the improvement of the delegate system and, in particular, the democratization of the electoral system, in accordance withe the nature of delegate relations. In this way, better conditions are created in the procedure regarding candidates, for working people to be the real proposers of candidates for all social and public functions. The constitutional obligation will be introduced of establishing the rule that there should be more candidates than the number of delegates who are to be elected.

An important new feature is represented in the proposals for widening the direct method of electing delegates to certain chambers of assemblies of sociopolitical communities by the working people and citizens. In this way, effectively, certain forms of mediation are overcome between the voters and the elected delegates, and the wishes of the voters gain direct expression, their decision on who will be their delegate in the Assembly, who will present their initiatives and proposals, who will represent and coordinate their interests.

In deciding on such a constitional solution we took above all as our starting point, the character of certain chambers and their delegates' electoral base.

The introduction is proposed of direct elections of delegates to the chambers of associated labor in the republican and provincial assemblies, and to the Federal Chamber of the SFRY Assembly. As for the chambers of associated labor and the chambers of local communities in the municipal assemblies, it is envisaged that delegates to these chambers could be elected by working people and citizens directly and by secret ballot, or by delegates chosen from the composition of delegations of basic self-managing organizations and communities, with the provision that the method of election should be determined in the Constitution of the republics and the autonomous provinces.

The orientation toward a direct method of electing delegates', as is set out in the draft amendments, does not contradict the character of the delegate principle and relations, or the role of the delegations in the system. This solution is in conformity with the delegate system. The basic principles of delegate relations and organized forms of the delegate integration and the delegate base, continue to be a major orientation in the functioning of our political system. As a result, it is topical to stress that the delegate system is not reduced to the electoral system but it only a starting point for it, Rozic said. [passage omitted]

There are also significant proposals in connection with the delegate basis and the role of delegations and other forms of organized liaision between delegates and their rank and file. For example, apart from the delegation, the function of the delegation can also be carried out by the workers' council, that is, the appropriate organ of the local community, when working people and citizens decide so. [passage omitted]

In connection with the demand to introduce joint bases of the educational system in the SFRY, apart from a basic solution, two alternatives are also proposed. According to the basic solution, the federation, with the federal law, determines the essential elements of the joint bases of the educational system. It is envisaged that this law is adopted with the agreement of the republican and provincial assemblies in order to ensure that the law regulates only those questions for which there is full agreement by the republics and provinces. In the first alternative, it is proposed that the bases of the educational system be established through an agreement among the republics and provinces, starting from the point that this is within their constitutional authority, and in the second, that no changes be made in the SFRY Constitution in the area of education, but that the republics and provinces, in realizing joint interests directly cooperate and make agreements according to Article 244 of the SFRY Constitution. [passage omitted]

Rozic then spoke of changes in relations in the federation, rights and duties of the federations. He stressed that they start from the constitutional principles that working people, nations, and nationalities realize their sovereign rights in the socialist republics and socialist autonomous provinces in accordance with their rights and in the SFRY—when it is in the joint interest determined by the SFRY Constitution. He also stressed that in the federation decisions are made in accordance with the principles of reaching agreements among the republics and autonomous provinces, solidarity and togetherness, and the participation of the republics and autonomous provinces in the organs of the federation and the responsibility of republics and autonomous provinces for their own development and the development of the Yugoslav social community as a whole. [passage omitted]

The realization of joint interests in the federation through direct cooperation and agreements among the republics and autonomous provinces is developed in a special amendment, since this is a significant form of realizing and ensuring joint interests in the SFRY. Therefore the amendments envisage that through agreements a joint basis for regulating relations in certain areas should be established and, with this aim in view, joint bodies should be formed and other obligations significant for the realization of joint interests should be assumed. In particular, it is envisaged that federal organs should stimulate cooperation and agreements and could provide initiatives for concluding agreements. The amendment envisages that the parties to an agreement should be obliged to honor it and should be responsible for performing the obligations undertaken. [passage omitted]

In preparing amendments, the orientation was reached to the effect that the basis of the united Yugoslav market should, apart from a uniform currency and monetary and foreign exchange system, also include a uniform credit system, and in addition to the joint monetary and foreign exchange policy also the joint bases of the credit policy. Also, it is proposed that the National Bank of Yugoslavia should have a much more significant role and responsibility in monetary, credit, and foreign exchange areas. According to the proposal, it should be an authorized proposer of general documents in this area and responsible to the SFRY Assembly. Together with the national banks of the republics and autonomous provinces, the National Bank of Yugoslavia is responsible for the stability of the currency, general liquidity of payments in the country and abroad, and for a uniform realization and steady monitoring of the realization of the monetary and foreign exchange policy and joint bases of the credit policy. The rights, obligations, and responsibilities of the council of governors and the governor of the National Bank of Yugoslavia in realizing the regulations from the area of the financial system are set out separately in precise terms.

The commission concluded, Rozic stated, that during a public discussion the totality of the country's financial system should be looked at from a constitutional and legal aspect.

A special constitutional amendment ensures, within the single federal budget and on a long-term basis, the stability and security of financing the Yugoslav People's

Army. With these changes, the financing of the Yugoslav People's Army is not separate from the financing of other functions of the Federation, nor is it carried out independently from the economic situation and other conditions in the country. [passage omitted]

Starting from the unquestionable social need that the role of associated labor in making decisions in the SFRY Assembly should be strengthened, the amendments establish that at least one half of the delegates in the Federal Chamber should be delegates from associated labor delegations from the material production area. Such a procedure of electing delegates in the Federal Chamber is ensured, which would create conditions for them to have stronger working links with the delegate rank and file. Apart from this, the Federal Chamber is also given the opportunity to make more contributions to solving individual questions of general social interest on which decisions are made by the chamber of the republics and provinces. Since decisions on essential questions of interest to associated labor are made in the chamber of the republics and provinces, it is proposed that in this chamber as well, at least half of the delegates in each delegation be delegates from the chambers of associated labor from the republican or provincial assemblies, which also requires that the role of these chambers in the republican and provincial assemblies be strengthened and changes implemented in the work of the SFRY Assembly.

It should be pointed out that a contribution to strengthening the role of associated labor organized on a self-managing basis in the work and decision making in the SFRY Assembly will be made by the constitutional possibility that during a decision making procedure in the SFRY Assembly on questions of particular interest to associated labor, a conference of self-managers could be convened. This conference would consist of delegates from organizations of associated labor, and their views should be discussed by an appropriate chamber of the SFRY Assembly. It is proposed that the concept of the conference should be discussed fully in the public discussion. [passage omitted]

This considerably democratizes the procedure of electing members to the SFRY Presidency, ensures the widening of the electoral basis, and opens up possibilities for wider selection of cadres. The proposed changes should contribute to the election of the best cadre for members of the SFRY Presidency, the cadre that will have a general Yugoslav authority and legitimacy in carrying out their exceptionally complex and significant functions. Besides, the proposed changes should also contribute to improving the collective work of the SFRY Presidency, and create conditions for a more efficient functioning of the system in concrete situations. [passage omitted]

The fulfilling of the constitutional concept of the Yugoslav Federation and the relations on which the unity and togetherness in the Socialist Republic of Serbia presupposes a comprehensive and consistent implementation of Serbia's constitutional status as a state and a socialist, self-managing democratic community as well as the fulfillment of the constitutional position of the autonomous provinces as autonomous, socialist, self-managing and democratic communities within the socialist republic of Serbia and as the constituent elements of Yugoslav federalism. Certain changes have therefore been proposed in the normative section of the SFRY Constitution to specify, in line with the SFRY Constitution's principles, the constitutional position of the socialist republic of Serbia and of the Socialist autonomous provinces within it.

The Commission for Constitutional Changes has proposed changes in the provisions of seven articles in the SFRY Constitution in line with the SFRY Presidency's recommendation and, which is even more important, in the course of a specific and tolerant debate all the issues were successfully coordinated. These issues are: the right of the nations and nationalities to be taught in their own language; the validity of official documents is recognized regardless of where they were issued; international cooperation of the republics and provinces; the federation's jurisdiction in the sphere of water management and in the cases where the republican and provincial laws clash; the Federal Court's jurisdiction in cases where it is necessary to clarify the powers of the courts and the Yugoslav Constitutional Court.

All changes regarding the relations in the Federation, Rozic summed up, are aimed at thwarting the tendencies towards disintegration, and the same time all unitarist and centralist tendencies. The point of departure was the desire to enable the nations and nationalities of Yugoslavia to develop relations between themselves only on the basis of the further integration of our society in line with self-management. [passage omitted]

The Socialist Alliance will organize, coordinate, monitor, and sum up the public debate about the draft of the amendments to the SFRY Constitution. This is in accordance with the program of the SAWPY's activities in the public debate. This broad-based and all-embracing public debate will, in fact, be a particular form of a general referendum, Dr Marjan Rozic, president of the SFRY Assembly, said in conclusion.

Bosnia-Hercegovina LC Considers Development

LD261325 Belgrade TANJUG Domestic Service in Serbo-Croatian 2328 GMT 25 Dec 87

[Excerpts] Sarajevo, 25 Dec (TANJUG)—The Bosnia-Hercegovina LC Central Committee is considering at its 11th session, which is in progress, the current ideopolitical problems in socioeconomic development and the tasks of the LC and the implementation of the decisions of the 13th LCY Congress and the 9th Congress of the LC of this republic in the field of cadre policy. At today's session, it was proposed, a decision on criteria for the apportionment of membership dues in this republican

LC organization will also be adopted. Introductory reports were submitted by LC Presidium members Zivko Grubor and Seid Maglajlija.

Before this Saban Kevric, secretary of the Presidium, informed LC members about the work of the Presidium in the period since the last session.

Noting the causes and consequences of the Agrokomerc affair, Zivko Grubor stressed the general demand expressed in basic and municipal LC organizations in connection with the discussion on cadre policy that moves must be made toward realizing congress orientations and strengthening the democratization of overall relations in the LC and society, especially in the sphere of cadre policy. As early as in 1986, a reduction in the number of members was recorded. Among those who have most frequently left the LC are workers. In the first half of 1987, 2,201 members left the Bosnia-Hercegovina LC, which is almost half of all those who departed from the organization. Grubor said that of those expelled in the first half of this year the statistic that almost 64 percent are workers is particularly worrying. [passage omitted]

Cadre policy in Bosnia-Hercegovina has unfortunately come into the situation where it is more important what background people come from, who is devoted to whom, and how much and who likes whom. What is missing is the criterion of how much are a person and his work worth, what has he left behind and especially what his environment thinks about him.

This was stated by Raif Dizdarevic in the discussion at this evening's session of the Bosnia-Hercegovina LC Central Committee, which examined cadre policy and LC tasks. Illustrating the statement that cadre policy in this republic is in the hands of individuals and small groups, he stated that for years the sphere of culture policy has been dominated by the excessive and even absolute influence and monopoly of only two or three men. Speaking about responsibility for the Agrokomerc affair he said that it must expand because this is a responsibility for the bureaucratic practice of behavior not only regarding this affair but also further afield, in all the spheres of our social life—as far as interventions on the part of faculty professors to give passes to someone regardless of his knowledge or lack of it.

Raif Dizdarevic noted that for years cadre policy in Bosnia-Hercegovina has been stagnating or even regressing. All the happenings in the past months indicate the absence of democratic practice in cadre policy. He said finally that the obvious crisis cannot be overcome if everyone retains their present positions and possessions. [passage omitted]

Branko Mikulic said that one gets the impression that Bosnia-Hercegovina has been nondemocratic, Stalinist, and a hard-line republic for years, and then some say that democratic processes were broken off at the beginning of the 7th decade. It would help if a critical analysis of the development of Bosnia-Hercegovina from the fifth congress in 1969 until today is prepared for an LC session or some other meeting.

The whole of that period should be included and all the questions should be clarified. I am a participant of that period and I do not manage to recall what these democratic processes were which existed and which were broken off. I think that it would be good to clarify these questions and draw corresponding conclusions from them. Mikulic recalled that at the Bosnia-Hercegovina were made by the exponents of Maspok [mass movement] and the liberalist movement in Serbia.

Agrokomerc is such a disgrace and so serious a case that we rightly talk about it with a great deal of anger, not choosing our words, stressed Mikulic. However, it is not a good idea to generalize Agrokomerc. A part of the press started writing, in connection with abuse and criminal activities in Agrokomerc, how this was a Bosnia-Hercevogina type of development, said Mikulic. Bosnia-Hercegovina is being reproached for creating big systems of composite organizations of associated labor and it is claimed that this situation exists in all of them. I think that we were not wrong to develop such large composite organizations of associated labor and to insist on pooling labor and resources in Bosnia-Hercegovina, said Mikulic, stressing that these systems played an important role in the development of Bosnia-Hercegovina.

If all things are generalized an impression is created that the system is not good and that nearly all of us are thieves. It seems that there is a need to discuss these questions in a sober way and draw our own lessons from them for now and for the future, Branko Mikulic said. At the moment, we are talking a great deal about democratization, with good reason, and I think that all this is very good. However, the exponents of democratic relations and practice are now also those who are pushing—when we speak about the cadre policy—their own candidates and even relatives at any cost, bypassing all the criteria, obsessed with leaderist ambitions, stressed Mikulic.

Speaking about some writings at the expense of the FEC, which allude to the FEC being against self-management and in favor of centralism and unitarism, and also against the market criteria of business but, instead, for statism and state sets of regulations, Mikulic said that this was not criticism but calumny. I am often asked why we do not reply to this. I do not wish to reply to this because if it is not put forth as an argument or something one can conduct polemics about who am I supposed to discuss it with and talk to, and if I do not recognize something as the truth should I dwell on it, said Mikulic.

The Bosnia-Hercegovina LC Central Committee, after 27 discussions and 14 hours of work, ended today's debate with a statement that the problems of cadre policy should be discussed at the grassroots and then again at a session of this forum. The Central Committee

noted that the incorrect functioning of cadre policy is the largest culprit concerning events in this republic over the past months, and that its fundamental reexamination is the need of the time. The Bosnia-Hercegovina LC Central Committee was informed that a report on the Hidroelektrana na Neretvi and the Hercegovina work organization collectives will soon be presented to the public. A decision was also adopted on the distribution of the LC membership fee. The Central Committee was informed about an apartment allocated to Smiljko Sagolj that was against the regulations and about the method of allocating apartments to officials from Bosnia-Hercegovina.

Mikulic Addresses Meeting

LD271020 Belgrade TANJUG Domestic Service in Serbo-Croatian 1409 GMT 26 Dec 87

["Branko Mikulic Speech at Session of Bosnia-Hercegovina LC Central Committee"—TANJUG headline]

[Text] Sarajevo, 26 Dec (TANJUG)—Taking part in the deliberations not only in connection with the discussion held at today's Central Committee session but also at other meetings in Bosnia-Hercegovina I monitor from public information media reports, I would like to say that among other things one gets the impression that Bosnia-Hercegovina has for a long, long time been a nondemocratic, Stalinist, hard-line environment, and also that at the beginning of 1970, democratic processes were broken off in Bposnia-Hercegovina. I think that it would help if a critical analysis of the development of Bosnia-Hercegovina from the fifth congress until today is prepared for an LC session or some other meeting (I leave the LC Presidium to decide on that itself). The fifth congress took place in 1969. I propose that we include this entire period and clarify all these questions. I am a participant and also took an active part in this period, but cannot at all identify myself with it, and I also tried to make use of my notes and read various material in order to find out what democratic processes existed, lasted, and were then broken off in Bosnia-Hercegovina. I think it would be a good idea to clarify these questions and draw corresponding conclusions. I recall that at the beginning of 1970 such definitions at the expense of policy in Bosnia-Hercegovina were made by the exponents of Maspok [mass movement] and the liberalist movement in Serbia. There was talk then about the Bosnia-Hercegovina type of socialism, that there was no democracy in this republic, that self-management was suppressed, Stalinist methods applied, and similar. All this was written, taken note of, and discussed at the time; appropriate conclusions drawn and suitable ideopolitical action carried out. We have to look into all this. I think that the time that has elapsed is sufficient in order to calmly analyze all this now.

Secondly, Agrokomerc is such a disgrace for us, and such a difficult thing, that we have every reason to speak about it very angrily, scornfully, without mincing our words, and so on. I do not think it is good, however, for us to generalize Agrokomerc. I shall remind you, for example, that in connection with the abuses and criminal activities in Agrokomerc, some of the press started to say that this was development "Bosnia-Hercegovina style." The Bosnians, it is said, have created large-scale systems of composite organizations of associated labor. The situation is the same in all of them. I do not think we were mistaken in opting for the creation of large-scale, composite organizations of associated labor and in insisting upon association of labor and means. I am convinced that these systems have played a great role in the development of Bosnia-Hercegovina as a whole. The Agrokomerc case cannot bring that assessment into question. But if there are grounds for debate on this, too, then we shall put that on the agenda as well. We now have knowledge of some other forms of experience: For example, we know that some countries have undergone very successful development by stimulating the development of so-called medium- and small-sized enterprises. In the context of the first item on the agenda, I wanted to say that we must see what we need to do to develop small businesses and, in terms of size, medium-sized organizations of associated labor, while not bringing into question the composite organizations of associated labor, but rather striving to transform them in regard to the way self-management operates in them, and in regard to their democratic, business, and other organization.

This is not the only thing involved. If everything is generalized, then we create the impression that the system is no good, that we are virtually all thieves and so on. I think there is a need for us to discuss these issues soberly, and to draw from them the appropriate lessons for the present and the future.

Thirdly, there is a lot of talk about democracy in our country now, and with good reason. However, those who speak about democracy now are often those who have no connection at all with the relations and practice of democracy. Thus it is that among those who make themselves out to be the flag-bearers of democratic relations and practice, there are also individuals who are exclusive, intolerant, and who push through the selection of their own candidates and even relatives, at all costs and without regard for any criteria; individuals who are burdened by ambitions to be leaders and who wish to penalize any opinion.

We must ask what our goal is: the democratic self-managing development of society in order to free man and to secure people's prosperity, or something else? I sometimes get the feeling—from discussions, published articles, and so on—that some people have a somewhat different goal. We must clear this up too, precisely in order to secure the conditions for the democratic self-managing development of society and in order to democratize that segment of our society's development which is called cadre policy.

I understood that when Comrade Fuad Muhic said that party forums should not resist criticism directed toward officials from Bosnia-Hercegovina in the federation, he

had in mind the statement or announcement from the Central Committee Presidium session on certain criticisms addressed to me. The day after the statement was issued, I phoned the president of the Central Committee Presidium and said that I did not think that should be done. For a forum or organ should not respond to such criticisms, while an individual can, by publishing an article in the press, and therefore, that is not in dispute.

However, I think we should clear up another matter, namely, whether it is a question of criticism or something else. The Central Committee Presidium stood up on this occasion against the swear-words, spitting, the expression of political distrust, against the political insinuations that were addressed. May I remind you that at that time texts appeared to the effect that through the participation of our scientific and economic organizations in the comprehensive program, the FEC was leading the country into the eastern bloc! At the same time, it was suggested that we should join in the Eureka program, with no account being taken of the fact that the doors to that are shut for us, and that nonaligned Yugoslavia has its own principled relation toward both blocs. Further, the fact was ignored that we concluded the agreement with CEMA as far back as 1974, and that all our relations with CEMA develop on the basis of that agreement, including our participation in technological development programs. Yugoslavia has concluded no separate treaty with CEMA on our participation in the comprehensive program. That means that the FEC, or Branko Mikulic, has in no way dragged the country toward one bloc or the other.

Secondly, texts are frequently being published now alleging that this FEC supports centralism and unitarism, and not for self-management; and that it does not support market criteria of economic activity, but for statism and state regulation and so on.

This is not criticism, but rather slander. Comrades often ask me why we do not reply to it. I shall not reply! With whoever I indulge in polemics, discussion, and talks, if something is not the truth, why should I pay any attention to that.

The Central Committee Presidium has stated its position on this, I think. Comrade Milan Uzelac said to me on that occasion: "We have done this because we considered that large-scale negative consequences could arise both in the country and abroad, given the insinuations addressed against the FEC, because the prestige of that organ and of the people in it is brought into question." That is the first thing.

Secondly, something about "recording" officials' property status. I have nothing against that, but we should establish criteria for this, and it should be said in advance why we are doing this, so as not to give the impression that we came to our official posts poor, and left them rich, that we took advantage of this or that, and so on. It is not a good thing for us to create such impressions. I do not think that is Comrade Muhic's proposal. But, if we are going to opt for that, then we must at least establish rules that we will adhere to, and must explain our aim to the public.

I shall conclude with the following. In connection with the second item on the agenda and also at the beginning of the session, warnings were voiced today that the stability of intranational relations in Bosnia-Hercegovina are being endangered. Njizad Durakovic has also said something on this theme.

In 'Politika' today I read a very serious warning issued by Comrade Muhamed Besic at yesterday's session of the Bosnia-Hercegovina Assembly. He said on that occasion that national parity will get entangled in the process of differentiation, which he considered to be very dangerous. (And I think the same, I share that opinion) Besic alleged that it is being said that a recount is being made of how many Muslims have left and how many Croats, while now, when it is a matter of the SR of Bosnia-Hercegovina, hesitation emerges! I shall recall that at the ninth Bosnia-Hercegovina LC Central Committee session, Comrade Braco Kosovac and a few other comrades pointed to the dangers for us in Bosnia-Hercegovina and that debates on these issues could lead us into these dangers.

If we by any chance allow fraternal relations between the peoples in Bosnia-Hercegovina to be disrupted, if we allow the stability of these relations and that greatest achievement of ours that we fought for and won to be endangered, then we really shall fail the test, then we shall ruin everything we have created and of which we should be most proud. And I should therefore propose that, given the warning which was made yesterday in the Assembly—and such warnings have been voiced both at this and at past sessions of the Central Committee—the Central Committee Presidium should examine these phenomena and dangers in particular, and we should agree on what to do.

If we must once again set out on a crusade for brotherhood, unity, and egality of the nations and nationalities in Bosnia-Hercegovina and Yugoslavia, we must set out on that crusade from the very start. We dare not delay even a second, because the consequences could be catastrophic, tragic. In the last war we paid dear, because of the manipulation of our nations and peoples. We dare not have the conceit to think that this achievement has been won once and for all. We must constantly reinforce, develop, and nourish that blossom persistently, every day. There is a saying among the folk aphorisms collected by Vuk Karadzic: "He who holds not his brother for brother will have a foreign master."

Personnel Changes in Belgrade Papers Reported

LD252359 Belgrade TANJUG in English 1918 GMT 25 Dec 87

[Text] Belgrade, Dec 25 (TANJUG)—The leadership of the Socialist Alliance of the Working People (SAWP) of Serbia today appointed Dr Zivorad Minovic director of

the Belgrade newspaper publishing house POLITIKA and Djoko Stojcic editor-in-chief of its weekly magazine NIN.

Minovic was acting director, and earlier editor-in-chief of this publishing house.

He is also chairman of the Information Committee of the Central Committee of the League of Communists of Serbia.

Stojcic was up to now editor of Belgrade television's educational program. He is also member of the Secretariat of the Republican Conference of the SAWP of Serbia.

The appointments of Minovic and Stojcic came two months after (?former) director of POLITIKA Dr Ivan Stojanovic and editor-in-chief of NIN Mirko Djekic were relieved of their duties.

They were dismissed following a series of criticisms addressed to the newspaper publishing house and NIN by the political leaderships of Belgrade and Serbia.

The decision to dismiss Stojanovic said that he "failed to exercise responsibly and consistently the duties required by the post he occupied" and that "deviations from the aims and tasks of POLITIKA and the program concept established by its founding act" took place while he was director.

Djekic was dismissed on the grounds that while he held the post, NIN was opposed to the new course adopted by the Central Committee of the League of Communists of Serbia at its stormy session in late September when former head of Belgrade's party organization Dr Dragisa Pavlovic was expelled from the Serbian party presidency.